



The 2005 Year In Review
A Report to Our Stakeholders



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1. Welcome

2005 was another productive year for the Asian Development Bank Institute. Building on our initiatives of recent years, we continued toward our goal of making ADBI a leading center for the creation and dissemination of information and knowledge on development in the Asia-Pacific region. This year's annual report documents our results from the perspective of each of the Institute's three organizational pillars: Research, Capacity Building and Training, and Outreach and Knowledge Management. Details related to the focus and accomplishments in each of these areas can be found in the sections that follow. This section of the report covers the overall strategy and direction of the Institute.

Since 2003, ADBI has focused its work in the three areas mentioned above on Poverty Reduction, Regional Cooperation, Private Sector Development, and Governance. These four themes provide a framework within which the Institute can respond to the many requests we receive from the ADB, its developing member countries (DMCs), and elsewhere, for work on particular topics. Work organized around these themes has allowed us to be more focused. However, taken together, these four themes still represent a rather wide sweep of development topics.

Given limited resources, there is a continuing need to balance the breadth and depth of coverage we give to our broad agenda. Recently, it was suggested that the Institute would benefit from a greater focus in our work. After much consideration, we chose "Infrastructure for Regional Cooperation" as a theme for special emphasis (Box 1). This new area of specialization is intended to complement our continued activities in other areas. We believe it will bring greater coordination and help to create synergy in our projects that span multiple countries and areas of interest.

Box 1: Greater Focus for the ADB Institute – Specialization on Infrastructure for Regional Cooperation

The Asian Development Bank (ADB) has four priority theme areas: poverty reduction, regional cooperation, private sector development, and governance. However, the ADB Board, the Asian Development Bank Institute (ADBI) Advisory Council, and others have suggested that greater focus in ADBI's work would be desirable. In practice, however, identifying a specialization has been difficult due to the many suggestions regarding a suitable area of focus for ADBI's work.

ADBI considered a wide range of options, including suggestions from Board and Advisory Council members, as well as the priorities of developing member countries (DMCs). Infrastructure for Regional Cooperation subsequently was chosen as an appropriate specialization, bringing together two key areas of ADB work.

This topic has been discussed with ADB operational and research areas, which supported it strongly. The ADBI Advisory Council also endorsed this topic at its meetings in Manila on 3 October 2005 and Tokyo on 21 April 2006. The focus on Infrastructure for Regional Cooperation in ADBI would be implemented in the following ways:

- The proposed focus would not replace the four priority themes approved by the Board. Rather, a cross-cutting approach would be adopted. For example, links between investment in infrastructure and poverty reduction, or between private sector flows and expansion of infrastructure, might be topics for research.
- Research in the area of focus would not be conducted to the exclusion of work on other topics. Work in the area of focus might account for 30–40% of resources. As such, this would allow appropriate room for research on the four main priority themes to continue.
- A range of publications would be issued and other activities undertaken to support work in the proposed area.
- Links with regional activities would be an important part of the work plan. For example, comparative policy studies across several DMCs facing similar policy issues might be undertaken to facilitate the sharing of knowledge between ADB DMCs.
- Where appropriate, an emphasis on Infrastructure for Regional Cooperation would be introduced into capacity building and training activities.
- Visiting researchers and visiting fellows would be encouraged to work in the proposed area of focus.
- A flagship study on regional infrastructure issues might be prepared to set the theme for the 10th ADBI Anniversary conference in Tokyo in 2007.

This proposed approach is expected to have considerable operational advantages for ADBI. It is responsive to the priorities of ADB DMCs; would help strengthen the professionalism of work at ADBI; and would allow ADBI to develop a reputation in an area presenting major development challenges in the Asia-Pacific region.

Additional details are in the Information Note provided to the ADBI Advisory Council on 3 October 2005, which is on the ADBI website at www.adbi.org.

Another way we intend to raise our effectiveness going forward is through improved quality. Operationally, we will introduce more measurable outputs and then monitor actual impacts. ADBI staff will be encouraged to experiment with new quality control mechanisms, and improve existing ones. Across the board, we intend to be more accountable to our various stakeholders.

During 2005, we made considerable effort to respond positively to appropriate requests for assistance and cooperation, especially those received from ADB and its resident missions (Box 2). The relevance of new activities for stakeholders was an important yardstick for ADBI priorities. As a result, we participated in a number of joint activities with the ADB and other organizations involved in development initiatives across the region. Such joint efforts are a valuable part of our overall mission.

Box 2: Joint Activities with ADB in 2005

Research

- Seminar to discuss an Asian Development Bank Institute (ADBI) study on the Khushhali microfinance bank, Islamabad, in collaboration with Asian Development Bank (ADB) Pakistan Resident Mission
- Workshop on Transport Infrastructure and Poverty Reduction, Manila
- Workshop on Making Markets Work for the Poor: Viet Nam, Lao People's Democratic Republic (PDR), and Cambodia, held in Manila in collaboration with ADB and Department for International Development, U.K. (DFID)
- Joint work with the Inter-American Development Bank's (IADB) Latin America/Caribbean and Asia Pacific Economics and Business Association, under the ADB-IADB memorandum of understanding

Capacity Building and Training

- Regional workshop on Managing Regional Public Goods, Thailand, with Regional and Sustainable Development Department (RSDD) and Mekong Department (MKRD)
- Network of Asian River Basin Organization training course in Integrated Water Resource Management, Sri Lanka, with RSDD and South Asia Department (SARD)
- Cybercrime and Forensics Workshop in Bangkok, with RSDD
- Development Management for Senior Executives Workshop, Tokyo, with RSDD
- Sustainable E-Community Centers Workshop, India, with RSDD and SARD
- Bond Market Development Conference, Tokyo, with the Office of Regional Economic Integration (OREI) and RSDD
- International Conference on E-Procurement in Seoul, with Central Operations Services Office (COSO)
- Mobile Learning Workshop in Tokyo, with RSDD
- Public Finance, People's Republic of China (PRC), with PRC Resident Mission (PRCM), and East and Central Asia Department (ECD) (Note: ECRD in original text)
- Tsunami Conference on Promoting Financial Accountability, Indonesia, with Indonesia Resident Mission (IRM), and Southeast Asia Department (SERD)
- Workforce Development for Knowledge Economy Workshop, Republic of Korea, with RSDD
- Tax Conference, Tokyo, with Economics and Research Department (ERD)
- Transport Infrastructure and Trade/Investment, Kazakhstan, with ECRD

Other Activities

- ADBI website expanded; upgraded web server and search engine introduced with ADB headquarters support
- New visual branding for ADBI created in close cooperation with Department of External Relations (DER)
- Close cooperation with DER and resident missions, including those in Pacific, during the solicitation of entries for the Developing Asia Journalism Awards in Tokyo

Finally, we would like to acknowledge the dedication and hard work of our internal staff, along with those of visiting researchers and participating member organizations, who have all contributed significantly to our work. These individuals and their collective efforts have made our activities at ADBI not only meaningful, but also fulfilling.

2. Research

Research is a critical component of our mission at ADBI. As in past years, in 2005 literally hundreds of research papers, reports and articles were published documenting our studies. Our research projects are conducted throughout Asia and across our four targeted themes of Poverty Reduction, Regional Cooperation, Private Sector Development, and Governance. Research activities in 2005 largely aimed to consolidate and complete ongoing work, while a few new projects were also initiated.

The Institute's research efforts are in response to various requests for assistance and cooperation. These requests came not only from the ADB and its resident missions, but also from member countries and in direct response to unanticipated events, such as the December 2004 tsunami and the South Asian earthquake. Also, our work goes well beyond publishing. We hold seminars and workshops designed around many of our research efforts to ensure that the information gets to those who need it most. In addition, important works are often translated into local languages or rewritten in a more accessible style to aid their dissemination.

A major output under the poverty reduction theme was the completion of country studies on the effectiveness of poverty targeting in the People's Republic of China (PRC), India, Indonesia, Philippines, and Thailand. The studies were published as an edited book, *Poverty Targeting in Asia*¹, with Edward Elgar Publishing as the first in a series of joint ADBI-Edward Elgar publications. Another example of activities in this field was the innovative poverty impact study done on microfinance lending in Pakistan. The results were disseminated to key policy makers in government and business.

In addition, work is underway to collect other completed and ongoing pieces of research on aspects of policy and poverty reduction for another edited volume, *Poverty Strategies in Asia*, for publication with Edward Elgar in the first half of 2006. The papers from this volume were an important component of the 2005 ADBI annual conference. The volume will include the results from an innovative poverty impact study on microfinance lending in Pakistan. A third edited volume is being prepared from the Regional Development in the Philippines project, with publication planned for 2006. Also last year, ADBI continued work under the Making Markets Work for the Poor project in Viet Nam, Cambodia and the Lao PDR, principally regarding the impact of contract farming arrangements on rural poverty. A workshop was held in collaboration with the Department for International Development, U.K.

In 2005, the main output under regional cooperation was the publication of an original study (in both English and Khmer) on Cambodia's World Trade Organization (WTO) accession, and the lessons for other least developed countries (also published and presented at the 2005 annual conference).

Reflecting the dynamic role of the private sector in the PRC, much of the research program's current work on private sector development prioritizes business, finance and corporate issues in that country. Ongoing work covers aspects of the revitalization of the northeast of the PRC, focusing on trade with Japan and the Republic of Korea, enterprise performance, and technological capability. Preliminary results were discussed at a seminar in Beijing in November 2005.

The Institute's research efforts have also supported considerable work in recent years on corporate governance. These activities were consolidated in 2005. A series of country studies, surveying the state of corporate governance in the region and links between the quality of corporate governance and enterprise performance, was published. In addition, the extension of these studies to the banking sector was completed. Final drafts were discussed at a workshop in Tokyo in January 2005. A manuscript is being prepared with publication targeted for mid 2006.

Another important part of ADBI's ongoing research involves comparative economic development in Asia and Latin America. This work is conducted with the Inter-American Development Bank (IADB) under the Latin America/Caribbean and Asia Pacific Economics & Business Association (LAEBA) of IADB and ADB. Initiatives in 2005 focused on the role of public policy in supporting

¹ Weiss, J. (ed). 2005. *Poverty Targeting in Asia*. Cheltenham, U.K. Edward Elgar.

industrialization in the 21st century. A major conference on this theme was held in Buenos Aires in December 2005.

During 2005, the Institute also continued to focus on the need to strengthen networking. The ADBI Visiting Researcher Program enabled five researchers from the region to spend six months each at the Institute, working on topics of mutual interest (Table 1). Four more senior visiting fellows spent extended periods at the Institute, in addition to 10 research scholars who worked with ADBI from their home bases. ADBI has established informal links with two important research institutes in the region, the Philippines Institute for Development Studies and the Development Research Centre (PRC). Staff members from these organizations are encouraged to apply to the ADBI Visiting Researchers Program. Also, a survey of leading DMC research institutes and their current work programs was conducted and published at the end of 2005 as a guidebook.² It is available as a free download on the ADBI website, where you will find many other details about the Institute's research.

Table 1: Long-Stay Researchers, 2005

Name	Institution	Topic
Visiting Researchers		
Jianbo Chen	Development Research Centre, Beijing	Finance for Small and Medium Enterprises in PRC
Akram Esanov	University of Toronto	Poverty in Kazakhstan
Gaamaa Hishigsuren	Institute for Development, Evaluation, Assistance and Solutions, New York	ICT and Microfinance in Mongolia
Aniceto Orbeta	Philippines Institute for Development Studies	Family Size and Poverty in the Philippines
Anoop Singh	Indian Institute of Technology, Kanpur	FDI in Indian Power Sector
Visiting Fellows		
Haider Khan	University of Denver	Poverty Strategies in Asia
Jisoon Lee	Seoul National University	Financial Sector Liberalization and Development
Thee Kian Wie	Economic Research Centre, Indonesian Institute of Science	Private Sector Development in Indonesia
Zhijun Zhou	China Academy of Social Sciences, Beijing	Modeling the Exchange Rate in PRC

² ADBI's Pocket Guide to Asian Economic Think Tanks 2006 available online at <http://www.adbi.org/book/2005/12/01/1568.think.tanks.directory/>

Microfinance can help even the poorest families escape from poverty

A recently concluded study by the ADBI looked at the ability of microfinance lending to help the poorest of the poor while simultaneously generating profits. The study examined the activities of Khushhali Bank, the largest retail micro-finance bank in Pakistan. Data on broad measures of poverty was collected from over 2,000 rural and urban households across Pakistan. The study went beyond economic measures of poverty, such as income and assets, to include social indicators of education, health and empowerment.

The results of the study were very encouraging, showing a positive impact from the program on income generation, empowerment, health and education. The highest aggregate impacts of the program on income generating activities were to agriculture, where almost all outcome variables – assets, inputs and sales – were higher for those who participated in the program.

In addition, employment was generated in all sectors. Some participants were able to start up household enterprises. Others were able to devote more family labor hours or hire additional labor from outside the family to assist those enterprises. Urban lending in particular yielded significant positive impact on income generation from family-run micro-enterprises.

The study also reported strong impacts on empowerment among social indicators. Participation in the Khushhali Bank programs increased empowerment of women – the degree to which women's decisions were taken into account in areas such as child-rearing, participation in community or political activities, and financial matters.

Poor households with access to the program were more likely to seek medical treatment for their health problems and to seek trained professionals to provide that treatment, especially for pregnancies and childhood illnesses.

Perhaps more importantly, the results of the study show that Khushhali Bank can provide this critical outreach while still maintaining operational and financial sustainability. This holds tremendous promise for the millions of poor households in Pakistan, and throughout the region. It is estimated that 5% of participant households are pulled above the poverty line annually through the program.

If the microfinance bank is able to maintain its current path toward full financial self-sufficiency, client households will continue to have access to microfinance services and receive the associated benefits into the foreseeable future, regardless of the policy direction changes of donors and the development community.

Tsunami relief -- some successes, more needed

The tsunami of 26 December 2004 caused massive damage and left Sri Lanka with over 30,000 people dead and several hundred thousand others displaced. With no previous history of disaster of such magnitude, Sri Lanka was quite unprepared for both the tsunami and the ensuing recovery. However, with a massive community response followed by government and international action, it was able to implement an initial relief effort that, given the circumstances, can be termed a success

Promised external assistance -- a total of US\$ 2.2 billion over the next 2-3 years -- appears to be more than adequate to cover reconstruction costs in full. But problems have emerged with relief payments, providing credit facilities, distribution of funds, coordination of reconstruction activities, and mismanagement of funds. Clearly, the reconstruction phase poses complex and difficult challenges. Housing is the households' main concern. Reconstruction and repairs have been hampered by the 'no-build' coastal buffer zone, cuts in relief payments and cost increases. Progress has been slow, uneven, and concentrated in the south and southeast, even though the worst affected areas are in the east and northeast.

In an effort to identify and correct some of the problems with the recovery efforts, a study was performed by a team of Sri Lanka research workers in cooperation with the Institute of Policy Studies in Sri Lanka. The resulting report was a contribution -- written by Sri Lankan scholars themselves -- to the discussion of public policy in Sri Lanka. Hopefully, affected communities and displaced poor people in Sri Lanka will be assisted as the recommendations in the report are adopted.

The report raise issues in the following areas and presents several related policy recommendations: livelihood related cash payments to households; assistance for rebuilding houses; titles to new houses; buffer zone rules; early warning and disaster management systems; coordination of donor assisted activities and macroeconomic policy issues.

A Rs 5,000 (\$50) monthly grant -- a modest sum that falls short of poverty line incomes -- was expected to be provided for about six months. But this has been scaled back to four months, its scope reduced by tightening eligibility rules. This is inequitable and counterproductive. The cash grants for house rebuilding and repairs are manifestly inadequate given cost escalations.

Eligibility for new houses should be determined on clear criteria in a transparent manner. A buffer zone to achieve coastal environmental protection and minimize impact of future natural hazards has intrinsic merit, and the basic concept should be retained.

Poor coordination among domestic and external agencies have emerged as serious problems, together with the sensitive issue of balancing political considerations and humanitarian assistance to the needy. Some international NGOs' reluctance to cooperate with government institutions, and competitive behavior towards other agencies, have hampered coordination and implementation. The modalities of aid spending, including procedures and mechanisms, should be reviewed to realize quicker and more effective responses. Problems with aid utilization and accountability highlighted by the Auditor General's Department must be urgently addressed.

The report was released at a conference in Colombo in early December 2005. The Prime Minister of Sri Lanka attended and highlighted the report with a keynote speech supporting the research effort. The event received wide coverage in the Sri Lanka press. The Institute of Policy Studies in Sri Lanka, which jointly-authored the report, has distributed the report within Sri Lanka and is arranging for the report to be translated into Tamil and Sinhala. The report has also been translated by ADBI into Indonesian for distribution in Indonesia because the report will be of interest to policy makers there as well given the huge damage caused by the tsunami in Aceh province. The report may also be of interest to policy makers elsewhere as well as anyone involved with disaster-relief issues, particularly within communities that may be affected by similar disasters in the future (as in the large earthquake in Pakistan at the end of 2005).

Unique Workshop Bridges Gap Between Research, Policy Making and Practice

The ADBI's Workshop on Transport Infrastructure and Poverty Reduction, held in Manila last summer, brought together 42 DMC representatives with ADB staff responsible for implementing transport infrastructure projects to discuss how to improve the poverty impacts of such projects. As expected, the latest research findings on linkages between transport infrastructure and poverty reduction were presented, experiences in past and on-going ADB projects were discussed, and key pro-poor policies and operational features were identified. However, the workshop was unique in how it sought to bridge the gap between research, policymaking, and actual project implementation practices.

The event brought together a carefully selected group of researchers, policymakers and project implementation officers to exchange views. DMC representatives from central planning agencies and transport ministries were selected based on the policy-oriented research they had been involved with. To overcome language barriers and inexperience in giving presentations, mentors were engaged to assist participants in the preparation of their presentations and papers. The 2-month mentoring period prior to the workshop significantly improved the quality of the individual presentations as well as the overall workshop dialogue.

Policy makers were exposed to new policy options for making transport infrastructure more pro-poor, project staff learned new ways of designing and implementing pro-poor features, and researchers gained knowledge of research methodologies and priority of research needs.

Through proper workshop organization, as well as participant selection and preparation, this unique ADBI workshop demonstrated how research and knowledge exchange can be made more effective and meaningful. The result? Participants went away with practical, pro-poor measures to be used in the design and implementation of infrastructure projects in their own countries.

3. Capacity Building and Training

Capacity building and training (CBT) for developing countries is another integral part of the ADBI's mission. Last year our program trained hundreds of people from over 30 different countries. About one quarter of the participants in the past year were women. More than 20 courses were conducted in 2005 on governance (9 courses), poverty reduction (5), private sector development (4), and regional cooperation (4). Six of the courses were related directly to information and communication technology (ICT) and other cutting edge "e-topics". We believe the use of ICT is crucial to the success of our new strategic focus on Infrastructure for Regional Cooperation.

CBT activities regarding poverty reduction included the following workshops and seminars:

- i. Integrated Water Resource Management, jointly organized with ADB, Japan Water Agency, International Water Management Institute, Mekong River Commission, and Korea Water Company;
- ii. Managing Sustainable E-Community Centers, in partnership with ADB, United Nations Scientific Educational and Cultural Organization (UNESCO), International Rice Research Institute, India, and Microsoft;
- iii. Mobile Learning for Expanding Educational Opportunities, with ADB, Microsoft, IBM, Hewlett Packard, UNESCO;
- iv. Transport Infrastructure and Poverty Reduction, jointly organized with the Research Group of ADBI and ADB; and
- v. Community Information Services for the Poor, with the support of the Distance Learning Center.

Major outputs in regional cooperation focused on two workshops on managing regional public goods, which emphasized cross-border infrastructure, trade and investment, labor migration, and public health. These workshops were held in the Mekong (Bangkok, Thailand) and the Central Asia (Almaty, Kazakhstan) areas. In addition, ADBI supported the Network of Asian River Basin Organizations (NARBO), which includes numerous river basin organizations throughout Asia, line departments, and international agencies. This involved a NARBO-sponsored training course on integrated water resource management (IWRM). The Tax Administration Course, held in Malaysia, promoted regional cooperation among Asian tax authorities by emphasizing the need for integrity of tax officials and steps to counter tax evasion.

To promote private sector development, the conference titled Developing Bond Markets in APEC—Towards Greater Public-Private Sector Partnership provided opportunities for public and private sector agencies to discuss policy issues with the aim of fostering bond market development in the region. The Roundtable on Capital Markets Reforms brought together high-level policymakers to discuss policy and regulatory issues in developing capital markets as an efficient source for long-term financing and investment. The ADBI workshop on E-Procurement Conference, with the Republic of Korea, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Samsung, Microsoft, and IBM, promoted partnerships with the private sector.

CBT activities also emphasized public sector governance. Such programs included:

- i. a Development Management for Senior Executives Workshop on results-based management,
- ii. a tax administration course,
- iii. a course on public finance and expenditure management, and
- iv. a local government budget management seminar in the PRC.

Reflecting the growing perception that ICT is an important tool to promote good governance, two activities emphasized the use of ICT in improving public sector performance: an e-procurement conference, and a workshop on designing e-government for the poor.

CBT efforts also assisted in the reconstruction after the December 2004 tsunami and the earthquake in South Asia. These are good examples of how we respond in real time to emerging topics of importance to our stakeholders.

Also of note is the broad public-private sector partnership that occurs in many of our activities. The involvement of governments, public and private organizations, and both local and multinational companies, is crucial to making sure that our initiatives address current issues in meaningful ways.

Furthermore, the video taping of educational events allows them to be made available on CD-ROM or DVD, which provides learning opportunities to many people who are unable to attend in person. In 2005, more than 20 CD-ROMs were produced based on the courses conducted. Media and ICT will continue to be used to reach even greater numbers in the future. (*see further details in Outreach section*)

You can learn more about our Capacity Building and Training by visiting the ADBI website.

New distance learning course helps Nepal implement e-government services

Nepal, one of the poorest countries in the region with a poverty incidence of 31%, is facing serious development challenges. The pace of overall poverty reduction in the country has declined as a result of conflict and instability. One of Nepal's strategic priorities is to develop targeted programs supporting inclusive social and human development, especially for the rural poor.

Access to information plays a crucial role in improving living conditions of the poor. Information and communications technology (ICT) has enormous potential to improve their livelihoods by reducing the cost of providing services to traditionally marginalized communities and facilitating the build up of constructive social capital. ICT can contribute to poverty reduction by enhancing the efficiency of the economy, enabling better delivery of public services, and creating new employment opportunities for the poor and disabled. ICT promotes integration of isolated communities into the global economy. But the realization of e-government requires more than mere adoption of ITC. E-government should improve efficiency and transparency in the public sector through modernization and reorganization of government work and responsibilities.

ADB and the Colombo Plan Staff College for Technician Education jointly organized a pilot distance learning course on Public Information Services for the Poor in Kathmandu from 17-23 November 2005. The course focused on addressing the major issues surrounding the implementation of e-community centers, and was supported by the Government of Nepal (National Information Technology Center), ADB Nepal Resident Mission, and two NGOs— Computer Association of Nepal and Forum for Information Technology Nepal.

While the benefits of e-government are now understood, there remains a need for a better assessment of its impact. Because of the tremendous resources required in implementing e-government, sharing of knowledge and experience through distance learning will help Nepal reduce costs and avoid mistakes.

E-Procurement helps governments in developing nations jump start their use of information and communication technology

In recent years, the countries of the Asian and Pacific region have increasingly adopted information and communication technology (ICT) to enhance government services and business transactions. An ICT enabled procurement system and government adoption of e-commerce can transform business processes between suppliers in the private sector and government. E-procurement promotes greater accountability by the government, increases efficiency and cost-effectiveness, and enables equal access to the public sector market.

An International Conference on E-Procurement was convened by ADBI from 20-25 June 2005 in Seoul. The conference was organized in collaboration with the Public Procurement Service of Republic of Korea (PPS) and UNESCAP. The conference was supported by ADB, the Korea IT Industry Promotion Agency, the Korea Information Strategy Development Institute, IBM, Microsoft and Samsung SDS. The objective of the conference was to review new initiatives in e-procurement and to discuss ways to integrate them into an overall e-government and e-commerce systems. Attendees included policy makers in governments who are planning to introduce e-procurement in their countries and the private sector companies that are supplying their goods and services to governments.

With the assistance of experts from the public and private sectors, as well as staff from international organizations, the conference helped the 90 participants from 23 countries to gain a better understanding of e-procurement and e-government, and build capacity for the planning and implementing of an e-procurement system. Countries were able to share their experiences in the implementation of e-government and e-procurement; and discuss issues, and options for implementation. Some of the topics addressed at this conference included: re-engineering internal processes of government/public administration, factors critical to the successful implementation of e-procurement including e-training of government officials; stakeholder participation in e-government projects; building community and government leadership; and security and privacy issues in e-procurement.

4. Outreach and Knowledge Management

Our Outreach and Knowledge Management activities have grown significantly in recent years as we have learned to make better use of information and computer technology. 2005 was no exception. We are always thinking of new ways to organize and communicate important development content in order to increase its accessibility and impact (including this report).

The ADBI website is the hub of our outreach efforts. The site's content is managed in Tokyo (updated daily), while technical support and hosting is provided in Manila. In the past year significant content has been added and a number of enhancements were made to increase overall access and usability. The improved features make it easier than ever to find the ADBI website via the major search engines and, once there, to find the specific information sought. Since launching in July 2004, the number of visitors has increased 60%, while page views have risen 123%.

The most popular new feature of the site is the free e-notification service. This allows subscribers to select which categories of items they want to be alerted about. Launched mid-April, this service now has more than 2,000 subscribers. Another important enhancement was the implementation of the *Retrievalware* search software, which also searches pdf files. This has significantly increased the usability of the site. To increase the two-way dialog with DMCs and obtain greater feedback from stakeholders, visitors now can post comments on any book, research paper, policy brief, or CD-ROM review. Other major visible enhancements include a numbering system for all online research publications, cross-referencing between CD-ROM online library items and their reviews (if posted), and cross-referencing between conference materials and the event at which they were presented.

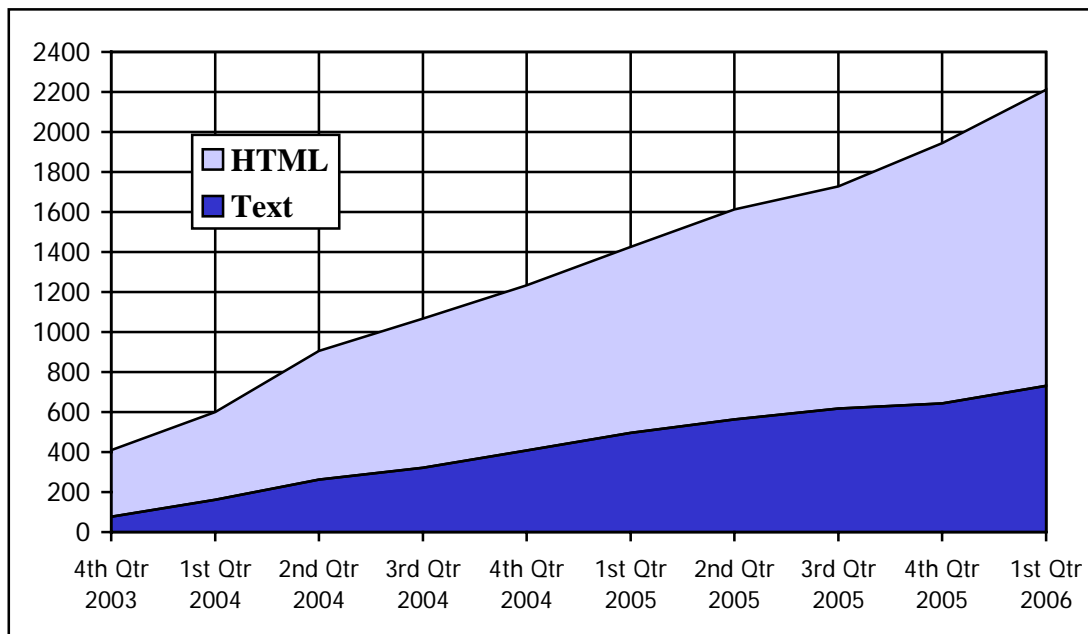
Another successful outreach effort is *e-Newsline*, a daily e-newsletter of development news and analysis that goes out to the e-mail boxes of more than 2,200 online subscribers. Each day, the main development stories in the media of developing countries from around the region are included. In addition, Institute experts wrote more than 30 special analyses for the newsletter to provide more in-depth coverage of major stories. New features introduced in 2005 include a roundup of development blogs from civil society and a regular spotlight on poverty reduction and the continuing disaster recovery efforts from the tsunami and South Asia earthquake. Readers can sign up to receive *e-Newsline* free of charge at the ADBI website. Another popular free download available at the website, is a guidebook containing a survey of leading DMC research institutes and their current work, that is intended to help promote regional cooperation.

Although the Internet's penetration is high, most people in developing countries do not have the bandwidth to stream multimedia. For these people, CD-ROMs can be a useful learning method. ADBI's CD-ROM Review Program and CD-ROM Library has been developed to help users find the most relevant information from that contained on over 300 development-oriented CD-ROMs. Independent experts rate the CD-ROMs on content, user-friendliness, navigability, sustainability, and distribution. Almost 60 reviews have been posted, and this is the second-most visited section of the ADBI website. Feedback from producers confirms an increase in CD-ROM orders and some have indicated they will take into account suggestions for improvement in the next edition. Well reviewed CD-ROMs are also considered for translation or local customization by ADBI or its partners. The World Bank's Global Development Learning Network (GDLN) group, joined by ADBI experts, structured a distance-learning course around the review of UNDP's microfinance course. This unique program is helping to improve the overall flow of information and knowledge across developing countries in the Asia-Pacific region.

In perhaps its most innovative outreach effort, ADBI and the Foreign Correspondents' Club of Japan cosponsored the 2005 Developing Asia Journalism Awards (DAJA), the follow-on to the successful inaugural event held in Tokyo in April 2004. These awards acknowledge the work of print journalists from developing countries (DMCs) who cover development trends in the Asia-Pacific region. Awards are based on journalists' published works (including those in translation) in theme categories. An independent jury of practicing journalists selects the winners. Special prizes (e.g., Woman Journalist of the Year, Island Journalist of the Year) also are awarded. Finalists participated in an award ceremony and a two-day program visiting media agencies, such as Reuters and NHK-TV Japan in Tokyo.

e-Newsline Subscriber Growth (2004-2006)

2212 subscribers as of 31 March 2006



e-Newsline Improves Quality of Public Debate on Development Issues Across Asia-Pacific

Today, there is simply too much information to sort through, and not enough time, for us to stay abreast of key events. Also, there is a need to hear the real stories from the developing world from the people who are actually affected. With this in mind, 3 years ago ADBI launched its *e-Newsline*, a daily email newsletter of development news and analysis.

Every day our experienced team of editors surveys the main development stories in the media of developing countries from around the region and identifies the top ten headlines for inclusion in that day's newsletter. Via the links provided, *e-Newsline* recipients can then jump to the open access news stories of interest, right from their e-mail inbox.

As part of our expanding service, we now also cover civil society newsletters as well as the blogs of exciting new local writers. We regularly feature spotlight stories on poverty reduction and the continuing recovery efforts from the tsunami and South Asia earthquake. Special analysis articles and primers on important topics, prepared by our experts, are also included to provide more in-depth coverage of major stories.

More than 250 editions of *e-Newsline* are produced every year, and it now reaches over 2,200 online subscribers. This key outreach initiative allows us to disseminate more widely hands-on knowledge about the real problems facing people in the developing world.

Whether you are a practitioner, academic or journalist, *e-Newsline* is your daily connection to the real issues a developing Asia faces today.

Subscribe for free at <http://www.adbi.org/e-newsline/subscribe.html>.

Rave Reviews for ADBI Development CD-ROM Database

The Internet has significantly expanded the outreach capabilities of organizations like ADBI. However, most people in developing countries don't have the bandwidth to stream multimedia. They may, however, have computer access in local community centers and libraries. That's the niche of the ADBI's unique CD-ROM "portal" consisting of a CD-ROM library and related review program.

The program has two important parts. First, is the collection of over 350 CD-ROM titles on development-related topics. The Institute continues to get feedback from people all over the world on how helpful it is to have the best ideas and practices from the global development community assembled all in one place. And over 150 of the titles are free (see listing of freebies at <http://www.adbi.org/catalog.cdrom/index.php?tab=6>.)

Having such a critical mass of content has had other resultant benefits. Several organizations have significantly decreased the cost of their CD-ROMs to buyers from developing countries as a direct result of the program. For example, the fee for Wellcome Trust's interactive health training series on diseases in developing countries was reduced from £35 to £5. Producers of "How to Read a Balance Sheet" and "Cleft Palate" reported a surge in requests subsequent to listings on the site. And several libraries in India have made the "IMARK for Digitized Libraries", an FAO product, compulsory training for librarians as they switched to digitized systems.

An important contributor to its success is the second part of the program, the CD-ROM Reviews. Selected titles are chosen for review. Experts in that field are then asked to rate the CD-ROM on content, interactivity, user friendliness etc. It's like a book review -- is it worth the price? To date there are 70 reviews. Reviewers also give suggestions on how the materials can be improved, and many producers take that into account when creating the next edition.

The review of Microfinance CD-ROM led to two regional blended learning programs, partnering with the World Bank's GDLN. The CD-ROM was used by ADBI and its partners as the basis to train 200 trainers; the content of the CD-ROM was used for at home/office study, and GDLN sessions then drew on microfinance experts to provide face-to-face (via the GDLN's video conferencing system) teaching, case studies, etc. Those 200 trained people have now gone and trained others in the field. This has been the GDLN's most successful course and a third is under preparation.

5. Financial Summary

The costs for operating the ADBI are met from the ADB Institute Special Fund, administered by ADB in accordance with the statutes of the ADB Institute, as revised. In 2005, the ADBI total actual expenditures were \$11.33 million. Internal Administrative Expenses (Office Rent, Salaries, etc.) amounted to \$8.39 million, while program expenses (Research and CBT) were \$2.94 million.

In June of 2005, Japan made its tenth annual contribution in the amount of 1.52 billion yen (equivalent to \$13.9 million).

As of 31 December 2005, cumulative commitments amounted to 13.1 billion yen (equivalent to around \$110.1 million), excluding translation adjustments. Of the total contributions received, almost \$93.6 million had been used as of 31 December 2005, mainly for research and capacity building activities, including organizing symposiums and training, preparing research reports, electronic and hard copy publications and websites; and associated administrative expenses.

The ADB Board of Directors has approved a budget of \$14.2 million for the Institute in 2006, which is roughly 2% smaller than was the budget for 2005.

ASIAN DEVELOPMENT BANK INSTITUTE COMPARISON OF 2005 ACTUAL WITH 2006 BUDGET		
(US\$000)		
Item	2005 Actual	2006 Budget
I. Program Expenses	2,936	3,950
Research	1,603	2,350
Capacity Building/Training	1,333	1,600
II. Internal Administrative Expenses	8,391	10,222
Staff & Consultant's Costs	3,863	4,998
Other Administrative Expenses	4,528	4,926
General Contingency	0	298
Total	11,327	14,172

6. ADBI Personnel

Peter McCawley has been the Dean of the ADB Institute since early 2003. He previously served as Australia's Executive Director to the ADB and is a long-time scholar of Indonesia. Peter has served for many years in the Australian official aid agency, AusAid. He has also taught economics at Australian and Indonesian universities.

Toshiki Kanamori is Director of Administration, Management and Coordination. During his government career he has served with Japan's Ministries of Finance and of Foreign Affairs and was an Alternate Director at ADB HQ. Before joining the Institute he was a Visiting Fellow at the China Business Center, Hong Kong Polytechnic.

John Weiss is Director of Research and interested in poverty intervention and issues of international competitiveness. Before coming to Tokyo, John was the head of the Development and Project Planning Center, University of Bradford, where he worked for many international financial institutions in a consulting capacity.

Jeoung-Keun Lee is Director of Capacity Building and Training and is supervising the Institute's new initiatives in ICT, E-learning and distance training. He was seconded from ADB HQ where he has served in many positions during a 10-year career.

Toru Tatara is the Special Adviser to the Dean and director in charge of the programs to strengthen the Institute's quality and evaluation procedures. He is an expert on the Mekong countries and regional cooperation, especially in the Pacific, and also served as the ADB HQ liaison for the Institute during its first year of operations.

Grant Stillman has been the Institute's Legal Adviser since its establishment and is also the Senior Administrative Officer heading the units producing E-Newsline, the annual journalism awards and special projects, such as this annual report and CD-ROM. He frequently serves as executive editor for ADBI publications, including the ADBI Pocket Guidebook to Asian Economic Think Tanks.

Teruhide Kanada is the Senior Administrative Officer in charge of finance, budgets and accounts. He is seconded from the Ministry of Finance of Japan and prior to joining the Institute served as the Special Officer (Balance of Payment Statistics) in the Ministry's International Bureau.

Douglas H. Brooks recently joined ADBI after serving as Principal Economist in ADB's Economics and Research Department and Director, Country Economic Analysis Department, Japan Bank for International Cooperation. Previously he worked as a research economist in ADB, the United Nations system, and the U.S. government. Since January 2006 he has been serving as the Acting Research Director.

Penelope Price is the Institute's Webmaster and a Senior Communications Specialist in CBT. She is on secondment from ADB HQ, where she supervised the Bank's website redevelopment. From 2003 she has been progressively upgrading the Institute's website, featuring a dynamic web content management system and using open-source technology.

Sununtar Setboonsarng is a Senior Research Fellow on secondment from ADB HQ in Manila, and an expert on poverty reduction. Before joining ADB, she worked extensively in Viet Nam, Cambodia, Lao PDR and other Asian countries as staff of the Mekong River Commission, the Asian Institute of Technology in Thailand, and the East-West Center in Hawaii.

Jayant Menon joined ADBI in 2005 from ADB, where he was Senior Regional Economist in the Mekong Department. Prior to that, he worked in the Regional Economic Monitoring Unit and Programs Department (West). Before joining ADB, he was at the Centre of Policy Studies at Monash University in Melbourne. He has also held visiting appointments at the University of Malaya, Institute of Southeast Asian Studies in Singapore and American University in Washington, DC. He also currently serves as a Board Director of the Cambodian Development Resource Institute.

Toru Hashimoto is a Senior Capacity Building Specialist. Before joining ADBI, he worked in as a Senior Urban Specialist in the World Bank and in the United Nations Economic and Social Commission for the Asia and the Pacific as an expert on human settlements.

Newin Sinsiri, also on secondment from ADB HQ, is a CBT Specialist handling projects in the fields of governance and private sector development. He is an expert on financial markets.

ADB Personnel (at 31 December 2005)**Management Team**

Peter McCawley (Dean)
 Toshiki Kanamori (Administration)
 John Weiss (Research)
 Jeoung-Keun Lee (CBT)
 Toru Tatara (Special Adviser)

Research Team

Douglas Brooks
 Miki Fushimi
 Jayant Menon
 Mihoko Saito
 Sununtar Setboonsarng
 Kayo Tsuchiya

Administration, Management & Coordination Team

Miyuki Aldrich
 Hiromi Aota
 Jun Fukuzaki
 Kazumi Hasegawa
 Rita Yoko Hjonnevag
 Teruhide Kanada
 Kiyomi Kanzaki
 Ai Miyamoto
 Nami Sampei
 Keiko Sasaki
 Grant Stillman

Capacity Building and Training Team

Tomoko Doi
 Toru Hashimoto
 Miho Kamijo
 Nahoko Kuragaki
 Yasue Nagai
 Michitaro Nakai
 Yuko Ohno
 Penelope Price
 Newin Sinsiri

ADB Advisory Council 2004-2006

<u>Name</u>	<u>Country</u>
Masahiko Aoki	Japan
William P. Fuller	United States of America
Eric Girardin	France
Li Yong	People's Republic of China
Corattiyil Ramachandran	India
Kanit Sangsubhan	Thailand
Ifzal Ali	ADB Chief Economist

Attachment 1



ADB Institute
&
ICT

Sharing Development Knowledge
with
Information and Communication
Technology

<http://www.adbi.org>

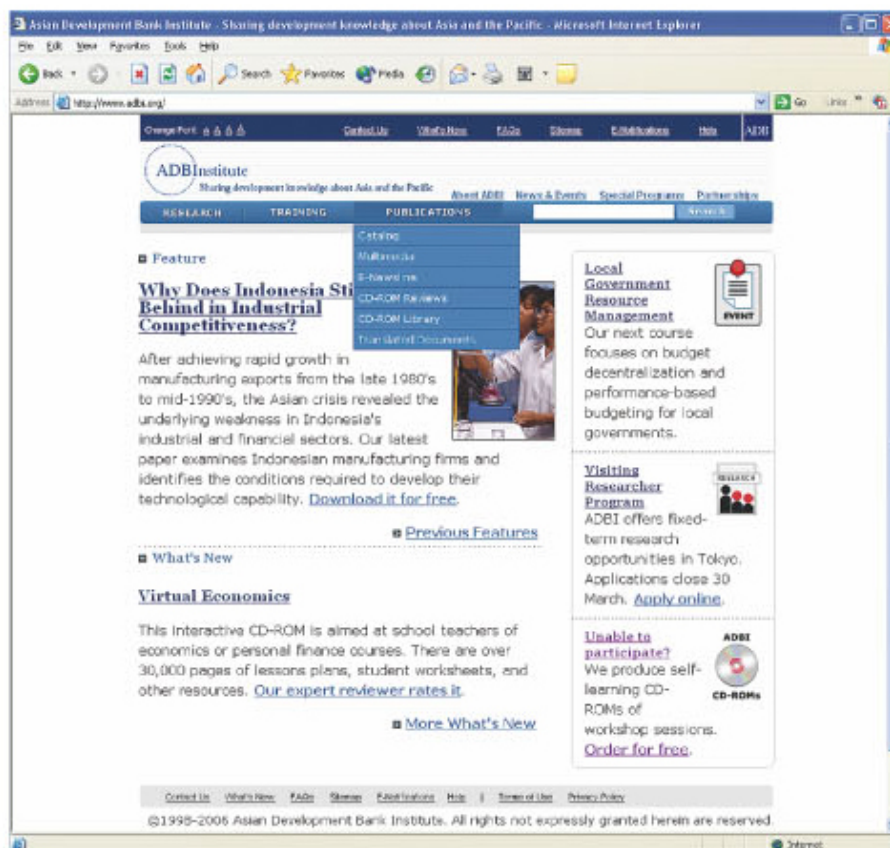
ADBI Website

<http://www.adbi.org/>

ADBI's website is the main way that ADBI shares knowledge. The user-friendly website makes it easy to track our research and training programs, and to take advantage of ADBI's other ICT resources.

Visitors can use the CD-ROM library and review listings, access and order ADBI produced multimedia products, or read the *e-newsline* daily news round up. There is also online information about ADBI special programs and partnerships, our visiting researcher program, and our current course calendar.

In 2005 we added an e-notification service. Now, subscribers can receive e-notices about new research publications, seminar materials, consulting and employment opportunities, and ADBI events. E-notification brings subscribers the latest information directly.



Research Publications

<http://www.adbi.org/research.publications>

ADBI's Research group makes over **160 downloadable** publications available in PDF and/or HTML format. These online research publications cover a wide range of economic development topics and are produced by ADBI staff, Visiting Researchers and Fellows, and leading experts whom we engage.

Important policy briefs are selected for translation into local languages then published online and in bilingual booklet and CD-ROM format.

ADBI also maintains an **online Think Tank** directory of research institutions in developing Asia-Pacific countries, and makes a **Post a Comment** function available to encourage discussion on research topics.

The Research group partners with the Global Development Learning Network (GDLN) on Microfinance Training courses. These blended learning courses use CD-ROMs, web-based support and extension, and the GDLN to disseminate development knowledge gained through research.



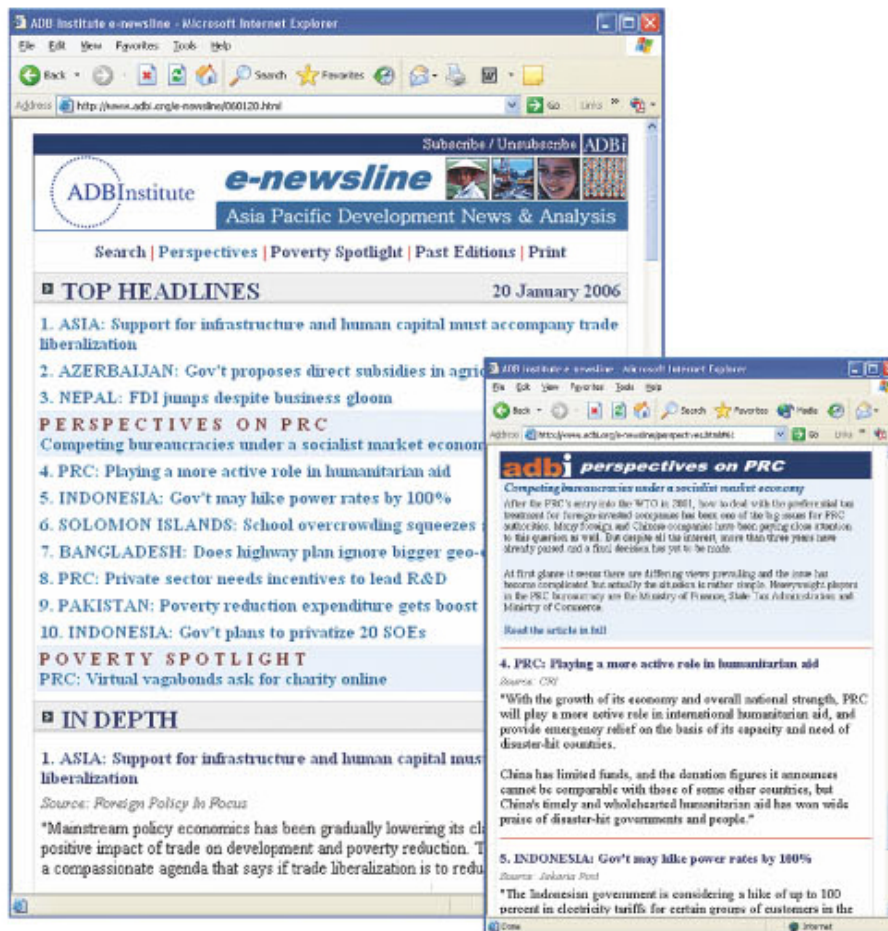
E-newsline

<http://www.adbi.org/e-newsline>

E-newsline is ADBI's free online, subscriber-based news roundup of Asia-Pacific development news and analysis. E-newsline features 10 key economic and development-related news items daily, and occasionally publishes an in-depth, economic editorial "Perspectives" that focuses on a timely economic topic in the region.

Beyond news, e-newsline publishes a twice-monthly Disaster Recovery Update (currently regarding the tsunami and South Asia earthquake), and a daily Dev-Blog Roundup from civil society and NGO blog sources.

E-newsline is delivered daily to a subscriber's inbox in either simple text or graphic HTML formats. It is another way that ADBI is informing stakeholders about news in Asia and the Pacific.



CD-ROM Review Program

<http://www.adbi.org/cdrom.reviews>

In 2003 ADBI launched an innovative CD-ROM Review Program to offer the global development community high quality, expert reviews of selected development-related CD-ROMs. Today there are more than 68 CD-ROM reviews published on the ADBI website.

To compliment the CD-ROM Review Program, ADBI maintains an expanding online library of development-related CD-ROMs that are produced by outside institutions, NGOs, and the private sector. The library provides searchable listings of over 350 CD-ROM titles and gives all the necessary ordering information.

Why review development-related CD-ROM titles? In the same way that a book review can help consumers evaluate a book's content, the CD-ROM review helps development practitioners and researchers determine the value of an interactive CD-ROM resource. By publishing important user and content information, ADBI helps organizations and individuals to better target ICT resource expenditures and to utilize quality interactive CD-ROM tools. Also, many in the developing world do not have web access, so CD-ROMs remain an important learning tool.

Who rates what? ADBI commissions experts to review selected CD-ROM titles. The reviews are independent, unbiased, and they objectively rate the CD-ROM's content, sustainability, interactivity, and user-friendliness.

Who produces the CD-ROMs? Development institutions, NGOs, and private sector producers from around the world produce the CD-ROMs that ADBI reviews and lists in our online library.

Because ADBI is constantly searching for titles to include in our library, we invite development organizations to tell us about new or useful CD-ROMs. Our goal is to help the development community locate quality CD-ROM resources, and to support the usage of the best ICT products available.

The screenshot shows a web interface for a CD-ROM review. At the top, there are four small images: a red pattern, a woman and child, a forest, and a person reading. Below the images is a 'Table of Contents' section with links for 'Main Page' and 'Full Review'. The 'Ratings' section displays an overall rating of 4.5 and individual ratings for content (5), ease of use (4), navigability (5), interactivity (4), distribution (5), and sustainability (5). A 'Rating Legend' explains the scale from 0 to 5. At the bottom, there is a 'See Also' section with a link to 'Agriculture-related CD-ROMs' and three icons for 'Download PDF', 'E-mail to a Friend', and 'Print'.

CD-ROM Review

The screenshot shows a Microsoft Internet Explorer browser window displaying the ADB Institute website. The page is titled 'Rice Knowledge Bank' and is part of a 'CD-ROM Review' series. The review is conducted by Nihal Amerasinghe, a Professor at the Asian Institute of Management. The review was posted on October 16, 2003, and is the second in the series. The content is described as a database reference and training materials, dated May 1, 2003, and is free of charge. The review includes a detailed ratings section with an overall rating of 4.5 out of 5. The ratings are as follows: content (5), ease of use (4), navigability (5), interactivity (4), distribution (5), and sustainability (5). A rating legend explains the scale from 5 (excellent) to 0 (not applicable). The page also features a 'Table of Contents' with links to the 'Main Page' and 'Full Review', and a 'See Also' section for 'Agriculture-related CD-ROMs'. At the bottom, there are links to 'Download PDF', 'Email to a Friend', and 'Print'.

- Many of the CD-ROMs are **free**.
- There is a **Post a Comment** function available for visitors to add comments about the review.
- ADBI provides **e-mail to a friend** function.

CD-ROM Library

<http://www.adbi.org/cdrom.library/>

The ADBI CD-ROM library is a collection of over 300 development-related CD-ROMs produced by development organizations worldwide. The CD-ROM titles cover a broad range of subjects, from public health training resources to microfinance training tools. Many of the titles are **free**.

Below are some of the free CD-ROM titles listed in ADBI's library. Visit our website <http://www.adbi.org/cdrom.library/> to learn how to obtain these free titles, and other development-related CD-ROM resources.

CD-ROM title	Producer
Rice Knowledge Bank	Rice Research Institute
Managing Agricultural Biotechnology	ISNAR
Success Stories	Asia-Pacific Association of Agricultural Research Institutions
Malaria: An Information Resource	Royal Perth Hospital, Abbott Diagnostics Division
MicroSave: Saving Services	MicroSave
Conservation Finance Guide	Conservation Finance Alliance
Capacity Development for MDG's	UNDP
Environmental Strategies for Cities	World Bank
Upgrading Urban Communities	Cities Alliance, World Bank, MIT
Open & Distance Learning for Development	Commonwealth of Learning
Tools to Support Participatory Urban Decision Making	UN-Habitat
Tuberculosis Information	CDC
Information Management Resource Kit (IMARK)	The Food and Agriculture Organization of the United Nations (FAO) and UNESCO
Tuberculosis	CDC



ASIAN DEVELOPMENT BANK INSTITUTE

Kasumigaseki Building 8F
3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo 100-6008, Japan
Tel: + 81-3-3593-5500 / Fax: +81-3-3593-5571
<http://www.adbi.org>