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Asian Development Bank Institute
Three-Year Rolling Work Program 2009–2011
and Budget for 2009

ABBREVIATIONS

ADB	–	Asian Development Bank
ADB I	–	Asian Development Bank Institute
APEC	–	Asia-Pacific Economic Cooperation
ASEAN	–	Association of Southeast Asian Nations
ASEAN+3	–	ASEAN members plus Japan, the People's Republic of China, and the Republic of Korea
ASEAN+6	–	ASEAN+3 members plus Australia, New Zealand, and India
CAREC	–	Central Asia Regional Economic Cooperation program
CBT	–	capacity building and training
DMC	–	developing member country
DLC	–	distance learning course
EIA	–	environmental impact assessment
EMU	–	European Monetary Union
ERD	–	Economics Research Department
ERIA	–	Economic Research Institute for ASEAN and East Asia
FDI	–	foreign direct investment
FTA	–	free trade agreement
G8	–	Group of Eight countries
GRA	–	global rating agency
IADB	–	Inter-American Development Bank
IADB/MIF	–	Inter-American Development Bank/Multilateral Investment Fund
IAE	–	internal administrative expenses
IFC	–	International Finance Corporation
JBIC	–	Japan Bank for International Cooperation
LAEBA	–	Latin America/Caribbean and Asia/Pacific Economics and Business Association
Lao PDR	–	Lao People's Democratic Republic
MDG	–	Millennium Development Goal
NARBO	–	Network of Asian River Basin Organizations
OECD	–	Organisation for Economic Co-operation and Development
OPEC	–	Organization of the Petroleum Exporting Countries
OREI	–	Office of Regional Economic Integration
PPP	–	public-private partnership
PPPI	–	public-private partnership in infrastructure
PRC	–	People's Republic of China
PRI	–	Policy Research Institute
RSDD	–	Regional and Sustainable Development Department
SAARC	–	South Asian Association for Regional Cooperation
SAIS	–	School of Advanced International Studies
SEA	–	strategic environmental assessment
SME	–	small or medium-sized enterprise
WTO	–	World Trade Organization

NOTE

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

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I. INTRODUCTION

1. Pursuant to Article V(3)(a) of the Statute of the Asian Development Bank Institute (ADBI), this paper presents a 3-year rolling work program for 2009–2011, including the budget for 2009, for the consideration of the Board of Directors of the Asian Development Bank (ADB).

2. In ADBI's 2008–2010 3-year rolling work program, approved by the Board of Directors in December 2007, it was indicated that a shift in the work program may be needed to align it with ADB's new long-term strategic framework 2008–2020 (Strategy 2020)¹. Accordingly, following the adoption of Strategy 2020, in April 2008 the dean of ADBI proposed changes to ADBI's strategic priority themes in order to align these with Strategy 2020.

3. Strategy 2020 will serve as ADB's corporate-wide planning document and will give ADB a more relevant and innovative role in shaping the region's future. Under Strategy 2020, ADB will pursue its vision and mission of "An Asia and Pacific Free of Poverty" by focusing on three complementary strategic agendas: inclusive growth, environmentally sustainable growth, and regional integration. To better mobilize resources and maximize returns on its unique regional experience and comparative strength within the evolving ADB architecture, ADB will focus on five drivers of change: (i) private sector development and private sector operations, (ii) good governance and capacity development, (iii) gender equity, (iv) knowledge solutions, and (v) partnerships. In other areas, ADB will continue operations selectively in close partnership with other agencies.

4. New strategic themes for ADBI proposed by the dean of ADBI were extensively discussed on 25 April 2008 and 27 October 2008 at the meetings of ADBI's Advisory Council. This work program is based on the new strategic priority themes of ADBI, which were unanimously endorsed by the members of the Advisory Council and which incorporate their suggestions and comments. ADBI's new priority themes and this work program will further enhance collaboration between ADB headquarters and ADBI, and will promote synergies with the three other knowledge departments of ADB.²

5. This paper incorporates guidance from ADB Management, members of the Board of Directors, and ADBI's Advisory Council; consultations with senior ADB staff; and comments from ADB departments concerned.

II. ASIAN DEVELOPMENT BANK INSTITUTE'S VISION

6. ADBI's vision is that it will become a leading center for the creation and sharing of knowledge on economic development in the Asia and Pacific region. It will achieve this vision by conducting research and capacity building and training (CBT) activities that contribute to ADB's overarching objective of poverty reduction, as well as by looking

¹ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila.

² There are four ADB knowledge departments: three in ADB headquarters (Economics and Research Department [ERD]), Office of Regional Economic Integration [OREI], and Regional Sustainable Development Department [RSDD]), and ADBI.

ahead to the next 10–20 years and focusing on the region’s medium- to long-term development issues of strategic importance.

III. STRATEGIC APPROACH

A. Objectives and Approach

7. The objectives of ADBI are “to identify effective development strategies and to improve the capacity for sound development of the agencies and organizations” in the developing member countries (DMCs).³ ADBI wants to be a laboratory for new ideas and to lead the discussion on emerging issues within ADB and the region. It will focus its activities on areas where it has a strategic advantage and will take action to ensure that its products are innovative and help ADB to further strengthen and sharpen its focus as a knowledge institution. ADBI aims to align its activities closely with the functions specified in its statute,⁴ in particular in conducting activities which are relevant to middle- to top-level policy makers in ADB’s DMCs. It will continue to emphasize the quality, rather than quantity, of its research and CBT programs by pursuing excellence, originality, and professionalism, and will ensure the relevance of its research and CBT activities and maximize their impact.

B. ADBI’s New Strategic Themes

8. Under the ADB and ADBI overarching goal of poverty reduction, ADBI’s three strategic priority themes will be inclusive and sustainable growth, regional cooperation and integration, and governance for policies and institutions. Private sector issues cut across these three strategic themes due to the private sector’s important role as a driver of change.

1. Inclusive and Sustainable Growth

9. Because economic growth in general, and inclusive and environmentally sustainable growth in particular, is a prerequisite for poverty reduction, it has been selected as one of the new strategic themes of ADBI. Inclusive growth ensures equality of opportunity for all to enjoy the fruits of growth, avoiding extreme deprivation for people whose circumstances prevent them from benefiting from the opportunities created by growth. However, only growth that is environmentally sustainable can eliminate poverty, since many poor people depend on natural resources for their livelihoods. Such growth requires that environmental damage be kept to a level at which the environment can regenerate itself and sustain future human development.

10. Within the theme of inclusive and sustainable growth, ADBI will therefore focus on three areas: infrastructure, financial sector development, and the environment and climate change.

2. Regional Cooperation and Integration

³ Statute of the ADB Institute (Statute), Article II.

⁴ Statute, Article III.

11. Regional cooperation will continue to be one of ADBI's strategic themes and will be of crucial importance in the new work program. The challenge for a more prosperous and independent Asia is strengthening and spreading the benefits of regional cooperation and integration while playing a substantial and constructive role in global economic leadership. ADBI will examine environmental issues in regional integration and develop regional common standards based on best practices in policy implementation. Two areas of focus within this theme will be monetary and financial cooperation, and trade and investment cooperation.

3. Governance for Policies and Institutions

12. The third strategic theme will be governance for policies and institutions. In line with the specific functions of ADBI and the criteria set out in ADB's Strategy 2020, the focus of ADBI activities will be to assist governments in ensuring cost-effective delivery of public goods and services. Thus, ADBI will seek to focus its activities on economic policy management, and public sector reform.

IV. ACTIVITIES DURING 2008

A. Research

13. Research activities conducted in 2008 aimed to complete research projects initiated before and during 2008. These research projects addressed emerging developing issues that fall principally under the four existing ADBI priority themes: poverty reduction, regional cooperation, private sector development, and governance.

1. Flagship Project

14. Work continued in 2008 on the ADB flagship research project, *Infrastructure and Regional Cooperation*, which is being implemented by ADBI. The topics of this project cut across the four priority themes. The objective of the study is to examine the key issues and challenges facing infrastructure development in the Asia and Pacific region in its ongoing efforts to support regional cooperation. Among its major activities, ADBI (i) organized a study team to prepare the technical background papers and chapters of the book that will be the major output of the study, holding an inception workshop in Tokyo, followed by technical workshops in New Delhi and Bangkok, to present and discuss 22 background papers; (ii) conducted another workshop in October in Beijing to present and discuss the five chapters (based on 25 background papers) on needs of infrastructure, trade and logistics, institutions and policy, financing infrastructure, and transnational infrastructure network issues; and (iii) will hold a chapter finalization workshop in December 2008 in Tokyo.

2. Poverty Reduction

15. Research projects on poverty reduction focused on policy and operational-oriented research highlighting innovative pro-poor and pro-environment development strategies, including climate change mitigation and adaptation. Based on research in 2008, two main outputs to be published in 2009 are books entitled *Making Globalization Work for the Poor and the Environment: Contract Farming and Regional Cooperation* and *Meeting the Multiple Bottom Line, Mitigating Climate Change and Achieving the Millennium Development Goals through Organic Agriculture*. Ten discussion papers that

constitute part of the books' content have been published. Other discussion papers on poverty published this year included empirical studies on biofuel, rural infrastructure and income distribution, and the impact of microfinance on the Millennium Development Goals (MDGs).

16. Another study under the same priority theme examined the theoretical and empirical side of the link between macroeconomic policy and poverty. The research report was circulated as an ADBI discussion paper.

3. Regional Cooperation

17. Under this priority theme, in September 2008 ADBI and a commercial publisher published the book *Infrastructure and Trade in Asia*. The book's chapters are based on the research papers presented at a conference under the auspices of the ADBI-Latin America/Caribbean and Asia/Pacific Economics and Business Association (LAEBA) initiative. On 17–18 June 2008, ADBI and the Inter-American Development Bank (IADB) co-organized a two-day conference on Trade Costs and Regional Cooperation in Lima, Peru, under the framework of LAEBA. The conference was attended by policy makers from Asia and Latin America and representatives of the media, academia, and the broader development community. The objective was to examine key issues and challenges in reducing trade costs and enhancing intra- and interregional cooperation. Studies presented focused on analysis of policy issues through empirical and case studies at the national, subregional, and regional levels. The papers for Asia to be circulated under the ADBI discussion paper series include:

- (i) *Trade Costs, Production Fragmentation, and Regional Integration in Asia;*
- (ii) *Trade Costs and Trade Patterns in South Asia;*
- (iii) *Association of Southeast Asian Nations (ASEAN) Open Skies and Its Implications for Airport Development in Malaysia;*
- (iv) *Transforming Trade Competition into Coordination in the People's Republic of China; and*
- (v) *Transport Infrastructure and Trade Facilitation in the Greater Mekong Subregion.*

18. ADBI and the Center for Trade and Economic Integration of the Geneva-based Graduate Institute of International and Development Studies co-organized a two-day conference on Multilateralizing Asian Regionalism at ADBI on 18–19 September 2008. The conference discussed measuring Asian economic integration through trade and foreign direct investment; the state of, and challenges for, Asian free trade agreements (FTAs); the effectiveness of the Asian noodle bowl agreements; lessons from the Western Hemisphere and European spaghetti bowls; and ideas for solutions, including multilateralizing Asian regionalism, using the Free Trade Agreement of Asia-Pacific as an alternative, and an Asia–Europe FTA.

19. ADBI and the European Central Bank jointly organized the Conference on International Linkages on 2–3 October 2008. It covered topics such as international business cycles; international transmission of shocks; and the role of financial markets in international linkages, regional integration, and business cycle synchronization. The papers presented in this conference will be circulated as ADBI working papers.

20. The project *After the Tsunami: Rebuilding in Indonesia, Sri Lanka, and Thailand* undertook a comparative study of the post-tsunami experience of Indonesia, Sri Lanka, and Thailand, which are the three countries in the region most severely affected by the 2004 tsunami. In addition to the three country studies completed in 2007, an overview paper was completed in 2008. A book containing research papers from this project will be published in 2009.

21. The project *Managing Capital Flows: Search for a Framework* was completed. The policy issues that emerged in its papers were presented and discussed in a high-level conference in March 2008. A research policy brief was released based on the results of the project. A commercial publisher has expressed interest in copublishing the book. As a follow-up to this project, ADBI and the Republic of Korea's North East Asia Research Foundation, Forum on East Asian Monetary Cooperation, co-organized the conference on the Subprime Mortgage Crisis, Capital Flows, and the Asian Economy on 28 August 2008. The papers presented in this conference were circulated as ADBI discussion papers.

22. A study that quantified the impact of terrorism and conflicts on economic growth in Asia addressed governance and regional cooperation. More specifically, it examined the consequences of terrorism and conflicts on the income per capita growth of selected ADB member countries for 1970 to 2004. The report was circulated as an ADBI discussion paper.

4. Private Sector Development and Governance

23. Under the private sector and governance themes, the book *Infrastructure's Role in Reducing Trade Costs* will be copublished with a commercial publisher in early 2009. It includes country case studies from the PRC, India, Indonesia, and Malaysia that focus on different aspects of developing trade-related infrastructure, as well as cross-country studies. As infrastructure lowers Asia's trade costs, private sector output will expand to take advantage of economies of scale in output and marketing, cheaper imported inputs, and greater participation in global production-sharing networks. The benefits are likely to particularly accrue to small and medium-sized enterprises as trade expands at the extensive margin,⁵ and to the rural poor as they gain greater access to markets and diversified products.

5. Annual Conference

24. The ADBI 10th anniversary conference, A Decade of Developments (4 December 2007), highlighted ADBI's past research topics from new perspectives while identifying critical issues for future research. The conference themes were (i) Ten Years On—Financing for the Future, (ii) Poverty Reduction for an Inclusive and Equitable Asia, and (iii) Growth through Regional Cooperation and Integration. A final panel session was held to provide input for ADBI's future research agenda. A book, the first in a new series to be based on the annual conference, will be published in the last quarter of 2008.

⁵ In international trade, the extensive margin refers to new trade flows of new products or to new destinations.

B. Capacity Building and Training

25. As of the end of October 2008, 14 courses and workshops, drawing a total of 726 participants, had been conducted under the existing four priority themes for 2008 (Table 1). More than half of the participants were government officials, about 40% of whom held senior positions (director and above).

Table 1: Number of Participants in Capacity Building and Training Activities, January–October 2008

Course or Workshop	Total	Officials	
		All	Senior
Theme: Poverty Reduction			
Water-Related Disaster Management	16	16	3
5th Microfinance Training of Trainers Course	323	30	
Theme: Regional Cooperation			
NARBO 3rd General Meeting	78	78	31
Roundtable on Capital Market Reform	55	38	17
Simplification and Harmonization of Rules of Origin	16	16	6
Cross-border Labor Migration Management	19	19	10
Regional Tax Forum	20	20	10
Service Trade Liberalization and Its Impact on Labor Migration	16	16	3
Theme: Private Sector Development			
Private Sector Participation and Investment in Physical Infrastructure for CAREC	31	31	30
SME Development and Regional Economic Integration	38	38	13
Appraisal of Cross-border Infrastructure Projects	29	29	6
Theme: Governance			
4th Top Level Officials' Meeting on Competition Policy	35	35	19
Competition Policies and Advocacy	24	22	6
Tax Administration Course V	26	26	5
Total	726	414	159

CAREC = Central Asia Regional Economic Cooperation, NARBO = Network of Asian River Basin Organizations SME = small- or medium-sized enterprise.

26. The remaining CBT activities and their expected numbers of participants are summarized in Table 2.

Table 2: Projected Numbers of Participants in Planned Capacity Building and Training Activities, November–December 2008

Course or Workshop	Participants (Projected)
Theme: Regional Cooperation	
Developing Partnership for Water and Climate Change Adaptation	30
WTO SPS Measures	28
Theme: Private Sector Development	
Strengthening PPPs for Infrastructure in Viet Nam	50
Strengthening PPPs for Infrastructure in the Pacific Region	30
PPPI Days 2008 and PPPI Capacity Building Events	120
Theme: Governance	
Training for Young Journalists in Developing Asia	22
Setting Up an Effective Competition Agency	22
Total	302

PPP = public–private partnership, PPPI = public–private partnership in infrastructure, SPS = sanitary and phytosanitary, WTO = World Trade Organization.

27. Some of these activities are described below.

1. Poverty Reduction

28. Two activities were conducted under the theme of poverty reduction: Microfinance Training of Trainers Course, which has been jointly organized annually with the Tokyo Development Learning Center of the World Bank; and the Water-Related Disaster Management workshop.

29. The Fifth Microfinance Training of Trainers Course, offered from July to October 2008, drew 323 participants from 31 countries in the Asia and Pacific region. Learning materials in local languages were available in Bahasa Indonesia, Chinese, Khmer (Cambodia), Lao, Mongolian, Thai, and Vietnamese. Participants took part in four videoconference sessions through Global Development Learning Network centers in Bangladesh, Japan, Mongolia, Papua New Guinea, Philippines, Sri Lanka, and Thailand; or the World Bank Office of the Lao People's Democratic Republic; or via live webcasting.

30. The 2nd Thematic Workshop on Water-Related Disaster Management in Asian Countries was held on 7–10 October 2008. It was one of the important activities of the Network of Asian River Basin Organizations (NARBO), promoted jointly by ADB headquarters, ADBI, and the Japan Water Agency. It analyzed issues involved in water-related disaster management and investigated and evaluated the strategies and solutions to address the issues facing each country.

2. Regional Cooperation

31. Eight CBT activities under the theme of regional cooperation aimed to facilitate regional cooperation and integration initiatives and activities. Five of the workshop/conferences addressed issues related to trade facilitation, such as rules of origin, cross-border labor movement, avoidance of double taxation, and sanitary and phytosanitary measures. The other three involve ongoing support for the NARBO General Meeting, a regional workshop on climate change adaptation, and a forum for discussion of capital market development and integration. Some of these activities are described below.

32. The Roundtable on Capital Market Reform in Asia, Ten Years after the Financial Crisis: Prospects towards the Future, was held on 26–27 February 2008 in collaboration with the Organisation for Economic Co-operation and Development (OECD). The roundtable discussed the recent development of Asian capital markets, best practices on capital market regulation and corporate governance, progress of regional initiatives on capital market development and integration, the roles of capital markets in supporting public–private partnership (PPP) in infrastructure investment, and challenges to mitigate financial market turbulence. Fifty-five participants representing capital market authorities, ministries of finance, central banks, and the private sector from OECD and East Asian countries participated in the event.

33. The Simplification and Harmonization of Rules of Origin Workshop was held on 18–21 March 2008 in collaboration with ASEAN/South Asian Association for Regional Cooperation (SAARC) secretariats, United Nations Conference on Trade and Development, Government of Japan (Ministry of Finance), and ADB headquarters (OREI) to explore ways to simplify and harmonize preferential rules of origin in order to facilitate cross-border trade. Fifteen senior trade officials from member countries of

ASEAN, SAARC, PRC, Republic of Korea, and the ASEAN secretariat participated in the workshop. Among the recommendations proposed were an early adoption of the draft World Trade Organization (WTO) harmonized rules of origin, application of best practices of existing FTA rules of origin in new FTA negotiations, and harmonization of definitions of technical terms used in FTA rules of origin.

34. The conference on Services Trade Liberalization and Labor Migration Policies in ASEAN: Towards the ASEAN Economic Community was co-organized with the International Organization for Migration Regional Office in Bangkok and Chulalongkorn University of Thailand on 22–26 September 2008 in Bangkok. It looked into current trends, challenges, policies, and management of cross-border labor migration in the context of services trade liberalization in Southeast Asia.

35. The WTO Sanitary and Phytosanitary Measures Workshop will be jointly held with the Food and Agriculture Organization Office for Asia and the Pacific on 9–12 December 2008 in Tokyo. It will discuss WTO sanitary and phytosanitary standards, technical barrier to trade standards, and certification measures applicable to trade in agricultural products; how international standards on plants, animals, processed products, and foods are formulated; regulatory trends towards food safety; and country experiences in sanitary and phytosanitary measures and technical barrier to trade measures. The workshop is expected to produce recommendations for follow-up actions.

3. Private Sector Development

36. Four out of six CBT activities under the theme of private sector development focused on PPP in infrastructure development. Three PPPs in infrastructure activities were intended for member countries of the Central Asia Regional Economic Cooperation (CAREC), for Viet Nam, and for Pacific island states. The fourth activity is a joint public–private partnership in infrastructure (PPPI) conference and capacity building workshop with the World Bank Institute. The fifth activity under this theme was the workshop on Appraisal of Cross-border Infrastructure Projects. The sixth activity focused on small or medium-sized enterprise (SME) development. Some of these activities are described below.

37. The Workshop on Appraisal of Cross-border Infrastructure Projects was jointly held with ADB's ERD at ADB headquarters on 22–25 April 2008. Based on case studies and best practices from ADB projects, the workshop identified and discussed critical knowledge for appraising cross-border infrastructure projects. Twenty-nine officials participated in the workshop.

38. The Regional Workshop on SME Development and Regional Economic Integration was held on 22–26 September 2008 in Tokyo in collaboration with the Colombo Plan Staff College for Technician Education. It focused on promoting best practices in SME development, identifying business opportunities arising from closer regional economic integration, and developing action plans to support skill development for SMEs through technical and vocational education and training.

39. The PPPI Days 2008 and PPPI Capacity Building events will be co-organized with the World Bank Institute on 15–18 December 2008 in Washington, DC. The objectives are to review current issues and trends for the global PPPI market, strengthen the PPPI global network, and facilitate knowledge sharing among PPP agencies. The

capacity building events will discuss key concepts in PPPs, including an enabling legislative and fiscal framework for PPP; review best practices; and introduce sources of knowledge and services pertaining to PPPI.

4. Governance

40. Four CBT activities were conducted and one more will be held under the theme of governance to enhance the effectiveness of government policies and their implementation. Some of these activities are described below.

41. Two workshops—Competition Policies and Advocacy, and Setting Up an Effective Competition Agency—aim to assist ASEAN countries to develop and harmonize competition laws and policies by promoting best practices and facilitating the sharing of country practices and experiences in competition policy and advocacy as well as in the establishment of a new competition agency.

42. The Developing Asia Journalism Awards and Training aimed to enhance journalists' capacity in monitoring and promoting good governance. In addition to receiving awards (in the categories of governance, regional integration, infrastructure, and environment), 22 finalists from developing member countries (DMCs) joined the training program on 11–14 November 2008.

5. Evaluation

43. A review of five distance learning courses (DLCs) was undertaken to improve the quality and enhance the impact of future DLCs. The review was completed in October 2008 and recommends a step-by-step guideline for designing and operating a DLC.

44. The outcome of the surveys of DLC participants indicated significant impacts of these activities. Most participants applied the knowledge gained from CBT activities to improve their policy implementation and the productivity of their day-to-day work. Some of them also adopted best practices as national practices. Participants usually shared their course materials with others. Some also spoke at local public seminars and/or internal seminars on issues related to the CBT activities that they had attended. In addition, participation in these courses provided opportunities for networking, which facilitated information sharing and strengthened cooperation among the participants well after the events.

45. In line with the suggestion of ADBI's Advisory Council and ADB Board of Directors, post-event surveys (1 year after the event) are being conducted for selected CBT activities organized in 2007. The preliminary outcome of the post-event survey for the 17th Tax Conference, held in October 2007, shows similar results to the DLC surveys. The most common activity undertaken by participants after the conference was sharing the conference materials with others. Most participants also applied knowledge gained from the conference to improve their policy implementation and the productivity of their day-to-day work. Participants usually communicated with each other about once every 3 months, sharing country-specific information and advice. All of them rated the overall impact of the conference as significant or very significant.

C. Outreach and Knowledge Management

46. ADBI's knowledge and outreach activities continued to expand in 2008, with many new publications produced and many events held. ADBI is enhancing its outreach activities to better reach prioritized target audiences. It has enhanced the quality and focus of its publications by following its publications guidelines.

47. The four knowledge departments (ADBI, ERD, OREI, and RSDD) have closely coordinated their work programs to improve synergy in their knowledge-creation efforts. As a member of ADB's high-level publications committee and associated working group, ADBI has contributed significantly to the changes to ADB's publishing policies and programs. ADBI supported the preparation, publication, and dissemination efforts of the ADB-wide collaborative flagship study on *Emerging Asian Regionalism: A Partnership for Shared Prosperity*, launched at ADB's Annual Meeting in May 2008. Work is under way on ADBI's flagship research project, *Infrastructure and Regional Cooperation*.

48. ADBI's daily e-newsletter of development news (*e-newsline*) was reaching over 3,300 subscribers as of 1 November 2008, an increase of 14% in 12 months.

49. The ADBI website is the key dissemination tool for ADBI's knowledge products and underpins ADBI's communication strategy. Website traffic continues to grow as the website is regularly updated with new research publications, CBT products, and event announcements. Technical reports showing web hits, numbers of downloads, and user statistics are disseminated to staff each month, and staff are encouraged to share these with authors. In the past 12 months to October 2008, web hits have averaged 1.63 million per month.

50. In addition to online publishing, the website is used as a tool for employment and business opportunities, online registration for events, and online surveys. The Developing Asia Journalism Awards and Training program effectively used the website's special online registration and article submission system. Over 240 journalists registered and over 240 articles were submitted.

51. As of 17 November 2008, the e-notification service had over 4,780 subscribers (an increase of 21% in 12 months), who regularly receive electronic updates on new ADBI materials and opportunities.

52. Participating in external events is an effective way to promote ADBI's work in the region. As of 17 November 2008 (year to date), the dean, as key spokesperson for ADBI, was an invited speaker at 27 external events, and other senior staff were invited to speak at many external events.

1. Publications

53. As of 17 November 2008 (year to date), ADBI had circulated 37 papers under its discussion paper series and published four research policy briefs. Two books were published—*ADBI Year in Review: 2007*, and *Infrastructure and Trade in Asia*—the latter of which was the fourth in a series of joint ADBI-Edward Elgar publications. Seven books are forthcoming, including the CBT books *Small and Medium-Sized Enterprise Development and Regional Economic Integration* and *Workforce Development in India: Policies and Practices*. On its copublishing program, ADBI has negotiated with Edward

Elgar to allow ADBI to post read-only files of the forthcoming publication *Infrastructure's Role in Lowering Asia's Trade Costs* on ADBI's website; after 12 months the publication will be made downloadable for free.

54. One ADBI discussion paper was published in an international journal while two other discussion papers have been submitted by their authors to other international journals for publication. For the 12 months to October 2008, the total number of downloads from ADBI's website reached an average of over 54,000 each month, showing that ADBI's publications reach a large audience.

2. Conferences, Seminars, and Workshops

55. ADBI's research outreach activities in 2008 included 20 conferences, seminars, and workshops, most of which were jointly organized with other institutions. Many of these events provided a platform for debate on emerging development issues in the region, and others were aimed at soliciting comments on the preliminary drafts of ADBI's research outputs as part of ADBI's research quality-control mechanisms and dissemination (Appendix 1).

3. Networking

56. In 2008, ADBI continued efforts to strengthen its networking program. Under the ADBI Visiting Researcher Program, 10 researchers from the Asia and Pacific region spent up to 6 months each at ADBI, working on topics of mutual interest. ASEAN+3⁶ think tanks have been involved in the *Managing Capital Flows: Search for a Framework* project, which produced a book that is due to be published in late 2008. ADBI continued to communicate with former visiting fellows and researchers to inform them of ongoing ADBI activities and to inquire as to the status of their ADBI discussion papers and the outreach activities which they had conducted for their research papers. ADBI's database of more than 70 visiting fellows, researchers, and scholars is being used to strengthen its networking program.

V. ROLLING WORK PROGRAM FOR 2009–2011

57. The identification of research and CBT activities for 2009–2011 is guided by ADBI's newly formulated priority themes: inclusive and sustainable growth, regional cooperation and integration, and governance for policies and institutions.

A. Research

1. Approach to Research

58. The identification of research projects has been guided by (a) the ADB Budget Review Committee's suggestions to contribute to ADB's Strategy 2020; (b) advice provided by Advisory Council members—such as paying attention to issues that are of immediate importance but which also have long-term development impact as in the case of the global financial crisis; and (c) focusing the research agenda on emerging economies, and perceived needs of developing member countries (DMCs).

⁶ The ten ASEAN countries plus People's Republic of China, Japan and Republic of Korea

2. Research Projects for 2009–2011

59. ADBI's research projects for 2009–2011 are clustered under four headings: projects with crosscutting themes, inclusive and sustainable growth, regional cooperation and integration, and governance for policies and institutions. These projects have been selected on the basis of need, relevance to the priority themes, and the research capacity of ADBI. These are briefly described below (see Appendix 3 for additional information).

60. **Project with Crosscutting Theme: Global Financial Crisis.** The events in the past few months have led many to concede that issues relating to the current global financial crisis have already gone far beyond the issues related to the US subprime crisis and the crisis is therefore likely to have medium- and long-term impacts on Asia. Indeed, there are now strong signs that the global financial crisis has affected the real economy of major industrialized and emerging economies. As in previous crises, the poor are likely to be the people most adversely affected by the slowing down of the Asian economies. Thus, a substantial part of ADBI's research activities will focus on analyzing the implications of the global financial crisis for the sustainability of Asia's economic growth. The project, *Implications of the Global Financial Crisis for the Sustainability of Asia's Economic Growth*, will cover three groups of issues: thematic issues that authorities in the region can address in the short term to deal with the global financial crisis (e.g., monetary and exchange rate policies, bank recapitalization, and other measures adopted by other countries); long-term structural and institutional issues for enhancing economic policy formulation and management (e.g., the extent to which the state regulates financial and large nonfinancial institutions, making the financial sector resilient to shocks, and the supervisory and regulatory structure of financial institutions); and regional cooperation (e.g., multilateralization of the Chiang Mai Initiative and coordination of measures to deal with the global financial crisis).

61. Three other projects that fall under various priority themes touch on specific aspects of the global financial crisis and hence will be included under the *Global Financial Crisis* project. One project, *Small- and Medium-Sized Enterprise Financing*, will explore why microenterprises that have gained access to microfinance services have not graduated to regular banking services, and why financial services for SMEs seem to be missing. It will also address the issue of how SMEs can participate in national and regional capital markets through regional cooperation initiatives. It is to be noted that issues regarding SMEs' access to credit have been prominently raised in the wake of the credit crunch. The results of this project can help to identify rigidities in existing DMC financial systems that have prevented the DMCs from efficiently intermediating savings into the sectors having the greatest needs. Another project will focus on credit rating, credit rating agencies, and their developments in Asia. Global rating agencies (GRAs) have come to play a key role in the functioning of international financial markets. Ratings made by GRAs have even been adopted as the keystone of financial regulation. However, as in previous crises, GRAs' ratings in the past few months have tended to be pro-cyclical. The GRAs' low ability to class structured securities has rekindled accusations relating to conflicts of interests, raising the issue of having more thorough oversight of the agencies. Still another project, *Strengthening Payment Systems in Asia*, will deal with two groups of issues. The first group deals with capital flows, payment systems, and the conduct of monetary policy in light of the global financial crisis; the second group deals with advances in payment system technologies, institutional

reforms, supervisory and regulatory issues, and the benefits microenterprises and SMEs can derive from such developments.

62. **Project with Crosscutting Theme: Flagship Project.** This project was initiated in August 2007. In the first half of 2009, research activities of the flagship project, *Infrastructure and Regional Cooperation*, will focus on the preparation, publication, launching, and dissemination of the book, which covers four major areas: trade and logistics, institutions and policy, financing infrastructure, and transnational infrastructure network issues. The book will be launched during the ADB Annual Meeting in Bali in May 2009. In the second half of 2009, the research outputs (including the preparation of policy briefs) and research dissemination activities for the project will be conducted. In addition, ADBI will prepare the second volume of the book, which will consist of background research papers prepared for the study. The project will be completed by the end of 2009.

63. **Inclusive and Sustainable Growth.** Two major research projects fall under this priority theme. The first project, *Economy-wide Assessment of Climate Change for Developing Asia*, aims to assess the economic impacts of climate change for Asian developing countries and evaluate their policy options for adaptation and mitigation. The project will highlight the impacts on developing Asia with broader country and sector details. It will serve to inform policy makers about the risks arising from climate change and the policies that can be implemented to minimize them. The second project, *Environmental Impact of Growth in Transport on Southeast Asia*, will examine the key issues and challenges facing the growth in transport in Southeast Asia. The study will focus on freight transport, examining road, rail, air, and seaport traffic from the perspectives of air emissions, water pollution, land degradation, and congestion. Serious impacts accompanying the region's growth are expected to affect transaction costs as well as health and labor costs.

64. **Regional Cooperation and Integration.** This priority theme will include five projects. The first project, *The PRC, Japan, and the United States: Deeper Integration*, will be conducted in collaboration with the East-West Center and the Asia-Pacific Center for Economics and Business. The objectives of this project are to (i) examine links between trade and investment in order to identify the industries undergoing the greatest adjustments and productivity gains; (ii) analyze the impact of these links on Chinese, Japanese, and American firms through technology and productivity spillovers; (iii) assess the potential for domestic and international tensions resulting from deeper integration; (iv) propose trade and investment policies that can help to relieve tensions and maximize mutual gains; and (v) draw implications of these links for other DMCs. The second project, *The Two Integrations in Europe and Asia*, will conduct comparative analysis of the European and Asian integration processes in order to draw mutually applicable lessons from both processes. In collaboration with the European University Institute and the Asia-Europe Foundation, this study will take an interdisciplinary approach to address themes such as economic, energy, and environmental issues, politics, global governance, human security, and cultural and institutional issues. The third project, *Firm Level Evidence of the Impact of FTAs in Asia and Latin America*, is a conference that will highlight the findings of two major research studies undertaken independently in Latin America and Asia. The goal is to obtain lessons and develop policy recommendations by comparing the results of the surveys undertaken in four Asian economies and four Latin American economies. The fourth project will be held under the annual LAEBA conference series. It will concentrate on some aspects of

regional integration that will complement the topic for the Asia-Pacific Economic Cooperation (APEC) conference in Singapore in July 2009. The fifth project, *Asia's Emerging Economies: ASEAN, India, and the People's Republic of China*, will examine development issues of Asia's emerging economies including the PRC, India, and ASEAN as a group. The research will center on the following areas: macroeconomic and microeconomic factors that determine the sustainability of economic growth; economic growth, urbanization, and the environment; and regional integration among these economies with special emphasis on trade, finance, and governance.

65. **Governance for Policies and Institutions.** One project will be conducted under this theme. The project, *Strengthening the Financial Sector for Regional Financial Stability*, will examine the issues and challenges for strengthening the capacity of supervisory and regulatory agencies to manage risks and monitor the vulnerability of financial institutions, including deposit-taking banks and nonbank financial institutions, through (i) better vulnerability monitoring frameworks, (ii) better regulatory and supervisory frameworks and greater competition, and (iii) improvement in corporate governance of financial institutions.

66. **Annual Conference.** ADBI will continue to hold an annual conference to share the results of selected major research activities with policymakers and the general public.

67. **Visiting Researcher Program.** The ADBI Visiting Researcher Program is run competitively for researchers from ADB's DMCs. In addition, ADBI engages a small number of outstanding scholars from all ADB member countries as visiting fellows to participate in ADBI's research activities. A visiting researcher or fellow usually works on a topic of interest that falls under one of the three priority themes mentioned above. ADBI has adopted appropriate measures to ensure that visiting researchers and fellows produce quality outputs in a timely manner.

68. **Distinguished Speaker Seminar Series.** This series aims to bring eminent persons to ADBI to encourage debate among policy makers, researchers, academics, think tanks, and other audiences interested in economic development challenges in the Asia and Pacific region. To date, 12 internationally known economists have delivered seminars on various policy and development issues in the region, including global governance reform, global imbalances, and integration strategies for ASEAN. This series will be continued in this work program. Efforts will be made to identify and invite internationally known scholars from various regions to discuss development issues of interest to DMCs.

B. Capacity Building and Training

1. Approach to Capacity Building and Training

69. The main objective of the CBT programs continues to be to promote sound development management by senior and mid-level officials of ADB's DMCs by (i) enhancing their understanding of important development issues, (ii) identifying appropriate policies or measures to address these issues, and (iii) assisting them to implement these policies and measures effectively. To ensure the high quality, relevance, and impact of the CBT program, the program and its activities will continue to be demand-oriented and focused on priority development needs of DMC governments

that fall under the new ADBI priority themes and areas of focus. Research results, specifically those arising from research on implications of the current global financial crisis, can feed into future CBT activities, particularly on governance for policies and institutions. (See Box 1 for an overview of the approach to CBT.)

Box 1. Capacity Building and Training Approach Overview

Identifying CBT needs under the new priority themes. ADBI has consulted ADB headquarters and ADB's contact persons in DMCs regarding their CBT needs and potential issues that ADBI can help address. Suggestions have also been solicited from CBT participants and regional initiatives such as the ASEAN Economic Community, CAREC, and SAARC.

Identifying the target audience. To enhance relevance and impact, officials holding appropriate positions will be targeted depending on the type of activity. Senior officials will be targeted for policy-oriented CBT activities; middle-level officials will discuss implementation issues. Only participants with relevant backgrounds and experience will be selected.

Building on existing knowledge products and expertise. CBT activities will continue to build on existing work and knowledge products. Learning materials, policy recommendations, and country practices and experience will be developed, where applicable, into quality knowledge products in the forms of discussion notes, compendiums of issues, guidelines, handbooks, or tool kits.

Enhancing cost effectiveness. Collaboration with ADB headquarters and partner institutes with cofinancing and/or parallel financing will continue to be explored to enhance CBT outreach. For some activities participants may be encouraged to share some of the costs of participation, such as airfares or hotel accommodation.

2. Capacity Building and Training Activities for 2009–2011

70. Based on the needs identified above, possible CBT issues to be addressed under the 2009–2011 CBT work program (categorized by the new priority themes and areas of focus) are summarized below. (See Appendix 4 for additional information.)

71. **Inclusive and Sustainable Growth.** Building on the flagship study *Infrastructure and Regional Cooperation*, CBT activities will continue to focus on promoting better understanding of critical policy issues and best practices in terms of infrastructure investment and management. These may include the need for a regionwide approach to infrastructure investment, expanding the potential for PPPs, enhancing the regulatory environment for PPPs, ensuring effective project management and operation of infrastructure, and improving access and quality of service delivery. The work program may address some specific issues and needs in the area of infrastructure development and management, such as PPPs in infrastructure development and design of bankable PPP projects.

72. The focuses for financial sector development will be on increasing access to financing and financial services, as well as promoting the development of sound and robust financial and capital markets in DMCs. The work program may address CBT needs in microfinance and capital market development and integration.

73. In addition to integrated water resources management, CBT activities for 2009–2011 will be expanded to cover issues related to disaster management and climate

change. CBT needs or issues to be addressed may include integrated water resources management, water-related disaster management, environmental assessment, and climate change adaptation.

74. In addition, in collaboration with the Regional and Sustainable Development Department (RSDD), joint programs on statistical capacity building on MDG indicators and alignment of national development plans with MDGs will be considered. A follow-up CBT program to the 2008 Regional Workshop on SME Development and Regional Economic Integration will also be explored in order to further enhance the capacity of SMEs in the region to take better advantage of the development of regional production and supply chains.

75. **Regional Cooperation and Integration.** CBT activities will continue to focus on trade liberalization and facilitation and capital market integration. ADBI will collaborate with ADB headquarters (OREI and Southeast Asia Department) and OECD on joint CBT programs to enhance the capacity of DMCs to negotiate, adjust to, and productively participate in regional economic integration, allowing them to fully benefit from the integration process and thus reducing development gaps. Specific issues and needs to be addressed include trade facilitation (including rules of origin, nontariff barriers, tax, e-customs, anti-dumping, and competition policies), trade negotiation, and trade liberalization.

76. **Governance for Policies and Institutions.** Amid the growing uncertainty of economic growth as a result of fluctuating oil and commodity prices and the adverse impacts of the global financial crisis, there has been increasing demand for capacity building in the area of macroeconomic policy management. To address this need, collaboration with selected government agencies, the International Monetary Fund Institute, and the US Federal Reserve will be explored in order to design CBT programs that promote best practices in macroeconomic policy management, banking regulation and supervision, public debt management, and tax administration.

77. The work program under this theme will focus on best practices and issues related to public governance. Specific issues and needs include e-governance, water governance, delivery of social services in the process of urbanization, improvement of the effectiveness of public expenditures and tax regimes in achieving environmental and energy efficiency goals, and best practices in public sector reform.

78. In addition, the integrated Developing Asia Journalism Awards and Training program will continue to be held on an annual basis so as to enhance the governance monitoring capacity of journalists in ADB's DMCs.

C. Collaboration Initiatives

1. Internal Collaboration between Research and Capacity Building and Training

79. During 2009–2011, the Research and CBT departments shall continue to closely coordinate their activities and strengthen synergies at least in the following areas.

80. The Research Department will continue to identify and distill from its research outputs good practices that can feed into the production of the CBT training materials.

The CBT Department will convey to the Research Department development issues noted by CBT workshop participants, ADB headquarters, and DMCs. The Research Department may identify selected topics and/or areas from these development issues and CBT needs for its research program, the outcome of which could later be used in the training materials of future CBT activities.

81. Some research outputs that can potentially be used as inputs into CBT activities for 2009–2011 are

- (i) the flagship study on *Infrastructure and Regional Cooperation*,
- (ii) OREI–ADBI *Noodle Bowl* project,
- (iii) *SME Financing*,
- (iv) *Economy-wide Assessment of Climate Change for Developing Asia*, and
- (v) *Implications of Global Shocks for the Sustainability of Asia’s Economic Growth*.

82. Consultations have been, and will continue to be, made between the Research and CBT departments, where applicable, on the design of CBT projects. Research fellows will also continue to be engaged as resource speakers in CBT workshops, seminars or courses according to their areas of expertise. This will enhance the outreach of the research findings, outcomes, and/or policy recommendations, as well as provide additional feedback and input into possible areas for further research.

2. Collaboration between ADBI and ADB Headquarters

83. The Research Department will continue collaborating with various departments of ADB headquarters in implementing research projects such as *CGE exercise of FTA Scenarios in Asia* with OREI, *Economy-wide Assessment of Climate Change for Developing Asia* with ERD, and *Sustainable Fuel Partnership* with RSDD, which is currently under discussion. (See Box 2 for highlights of the previous year’s ADBI–ADB headquarters collaborations.)

84. Research products prepared by ADB headquarters can also be used as training materials for the CBT activities, usually with their experts acting as resource persons or speakers. For example, the ERD study on *Dynamics of Enterprise Growth and Job Creation* can complement the training materials for SME workshops, while the *Review of the Economics of Climate Change in Southeast Asia* can also provide useful inputs for the CBT Climate Change Adaptation workshop.

85. In the survey of CBT needs, ADB headquarters has expressed interest in collaborating with ADBI on CBT activities related to selected issues. For example, as proposed by RSDD, the MDG Statistical Indicators workshop will be designed jointly by ADBI and RSDD. Workshops on PPPs in infrastructure will also continue to be designed and organized in collaboration with the relevant regional departments of ADB headquarters. In the Developing Asia Journalism Awards and Training program in 2008, resource speakers from ADB headquarters and ADBI’s Research Department updated the participating journalists on recent issues in their respective areas. This collaboration is expected to continue for future Developing Asia Journalism Awards events.

Box 2: Examples of Joint Activities with ADB Headquarters in 2008

Research

- Infrastructure and Regional Cooperation flagship project (research collaboration with various ADB headquarters departments)
- Asian Noodle Bowl Conference (co-organized with Office of Regional Economic Integration)
- Regional Review of the Economics of Climate Change in Southeast Asia (regional technical assistance project with Economics Research Department)

Capacity Building and Training

- Workshop on Simplification and Harmonization of Rules of Origin in Bangkok (partnered in organizing with the Office of Regional Economic Integration and Thailand Resident Mission)
- Workshop on Appraisal of Cross-border Infrastructure Projects in Manila (co-organized with Economics Research Department)
- Workshops on Strengthening Private Sector Participation and Investment in Physical Infrastructure, Roundtable on Capital Market Reforms, and Developing Asia Journalism Awards Training (invited ADB headquarters senior staff and experts as resource speakers)

Source: ADB Institute

3. Collaboration between ADBI and Other Organizations

86. Under this work program, the Research and CBT departments have lined up several activities in collaboration with other organizations, including the following multilateral organizations: Advisory Group on APEC Financial System Capacity Building, APEC Business Advisory Council; ASEAN Secretariat; Asian Productivity Organization; Bank for International Settlements, Hong Kong Representative Office; Food and Agriculture Organization; Global Development Learning Network; International Monetary Fund Institute (Singapore); IADB; International Public Management Network; International Water Management Institute; NARBO Secretariat; ASEAN Tax Administrations; OECD; PPPI Global Network; Public–Private Infrastructure Advisory Facility; SAARC Secretariat; South East Asian Central Bank Research and Training Center; United Nations Conference on Trade and Development; United Nations Development Programme; United Nations Economic and Social Commission for Asia and the Pacific; United Nations Environment Programme; United Nations Industrial Development Organization; World Bank and World Bank Institute; World Bank Tokyo Development Learning Center; and World Health Organization.

87. Activities have also been initiated with the following organizations: Asia-Europe Foundation, Singapore; Asia-Pacific Center for Economics and Business, Brandeis University, Massachusetts; Bank of Japan; Colombo Plan Staff College for Technician Education, Philippines; East-West Center, Hawaii; Energy Modeling Forum, Stanford University, California; European University Institute, Florence, Italy; Financial Services Agency, Japan; Fitch Ratings; Global Trade Analysis Project, Purdue University, Indiana; Institute for Global Environmental Strategies, Japan; Institute for International Monetary Affairs, Institute of Southeast Asian Studies, Singapore; Japan Fair Trade Commission; Japan Finance Corporation; Japan Water Agency; Keio University, Tokyo;

Mekong River Commission; National Tax Agency, Japan; United States Fair Trade Commission; and United States Federal Reserve.

D. Outreach and Knowledge Management

88. ADBI will enhance collaboration with the three knowledge departments in ADB headquarters (footnote 1) on knowledge management efforts. The ADBI dean is a member of ADB's Technical Assistance Strategic Forum, chaired by the vice-president of Knowledge Management and Sustainable Development, with its overall objective being to refine and focus the research and development technical assistance program to ensure that ADB's operations and the knowledge needs of ADB DMCs are effectively supported.

89. ADBI will more clearly identify its target audiences and promote its major publications by disseminating them via the website and at conferences, seminars, and workshops. ADBI will continue to produce *e-newsline*, its daily online newsletter on development issues. *ADB News* will continue to be published quarterly in hard copy and online.

90. ADBI will publish a bi-annual journal, the objective of which is to provide a vehicle for disseminating high-quality, policy-oriented, evidence-based research on emerging development issues in the Asia and Pacific region. The target audience for the journal includes policy makers and the private sector in the region, multilateral institutions, and academics. The journal will be web-based, with a small number of printed copies for selected depository libraries.

91. The CBT Department, in collaboration with the World Bank Institute and the Inter-American Development Bank/Multilateral Investment Fund (IADB/MIF), plans to publish a five-volume global publication on PPPs as well as launch a global PPPI online and multimedia distance learning program in 2009. The Research Department expects to have nine major publications in 2009, six in 2010, and three in 2011 (as listed). More publications are likely to be produced in 2010 and 2011.

92. The major publications for 2009 are

- (i) *Making Globalization Work for the Poor and the Environment: Contract Farming and Regional Cooperation*;
- (ii) *Meeting the Multiple Bottom Line, Mitigating Climate Change and Achieving the Millennium Development Goals through Organic Agriculture*;
- (iii) *Multilateralizing Asian Regionalism*;
- (iv) *Regional Cooperation and Trade Cost in Asia* (from LAEBA conference in Peru);
- (v) *Country-Level FTA Strategies and the Case for an East Asian FTA*;
- (vi) *Public Finance / Social Security System in De-population Society*;
- (vii) *Asia's Contribution to World Economic Growth and Stability* (from the 2008 Annual Conference);
- (viii) *Infrastructure's Role in Reducing Asia's Trade Costs: Building for Trade*; and
- (ix) *Aging in Asia*.

93. The major publications for 2010 are
- (i) *Strengthening Payment Systems in Asia;*
 - (ii) *Small- and Medium-Sized Enterprise Financing;*
 - (iii) *Credit Rating, Credit Rating Agencies, and their Developments in Asia;*
 - (iv) *Global Shocks and Sustainability of Asia's Economic Growth;*
 - (v) *Asia's Emerging Economies: ASEAN, India, and the People's Republic of China; and*
 - (vi) a book on the theme of the 2009 ADBI Annual Conference.
94. The major publications for 2011 are
- (i) *Economy-wide Assessment of Climate Change for Developing Asia,*
 - (ii) *Environmental Impact of Growth in Transport on Southeast Asia, and*
 - (iii) a book on the theme of the 2010 ADBI Annual Conference.
95. ADBI's quality control mechanisms (Appendix 1) will continue to be applied to all publications to ensure high-quality products.
96. To enhance the policy impact of ADBI research outputs, which is reflected well in ADBI's strategic directions, the following actions will be undertaken:
- (i) ADBI will continue its policy of making its published books and research papers available online.
 - (ii) ADBI will submit selected publications for linking on other organizations' websites as well as the ADB headquarters website.
 - (iii) For copublished books, ADBI will distribute copies selectively to ensure they reach the right target audience.
 - (iv) Research policy briefs⁷ will be prepared for every major ADBI publication.
 - (v) ADBI will disseminate its publications via its network of think tanks, external partners, and former visiting researchers and fellows. The think tanks and former visiting researchers and fellows may have considerable influence on national policy-making institutions. ADBI will organize joint conferences with national think tanks to present the key findings and policy recommendations of its studies.
 - (vi) ADBI, with the assistance of ADB headquarters and national think tanks, will organize meetings with senior officials to inform them of the key findings and policy recommendations of its studies.
97. Website development will focus on improving and updating web content, aligning publications categories and web topics with those of ADB headquarters so that ADBI's outputs will be included in ADB's publications catalog, enhancing the e-notification system for better impact, and expanding the e-notification and *e-newsline* subscriber bases.

⁷ These are short nontechnical publications that summarize key messages from ADBI research projects.

VI. STAFFING AND BUDGET FRAMEWORK

A. Staffing

98. At the end of 2008, ADBI is expected to have 50 staff—15 professional staff, 7 supporting staff, 7 temporary staff, 1 editor, 14 research associates, 2 information technology help desk staff, 1 staff member seconded from the Japan Water Agency, and 4 interns—representing 18 nationalities.

99. In spite of the practice of short-term (3-year) staff appointment, all of the professional staff positions remain filled due to active recruitment efforts.

100. In addition to the above staff, ADBI will engage four visiting fellows or researchers at the end of 2008.

B. Budget Framework

101. The budget proposed for 2009 is \$16.316 million, around 10% higher than the 2008 budget (\$14.776 million). The allocation for internal administrative expenses (IAE) has been slightly decreased, from \$10.276 million to \$10.216 million. The allocation to the program expenses budget has been increased significantly from \$4.50 million to \$6.10 million due to an increasing number of activities by both the Research and CBT departments (Table 3).

1. Program Expenses Budget

102. The program expenses budget of \$6.10 million consists of \$3.65 million for research and \$2.45 million for CBT. The proposed 2009 program budget for research has increased by 40%; the program budget for CBT has increased by 29%. The proposed budget allocations for research and CBT are required to enable ADBI to finalize and disseminate the flagship *Infrastructure and Regional Cooperation* study and to implement the objectives of ADBI's work program based on its priority theme areas.

103. The total program-related IAE, such as staff costs and business travel for research and CBT, is \$5.755 million (\$2.302 million for research; \$1.535 million for CBT; and \$1.918 million for administration, management, and coordination), or 35% of the overall budget. If these expenses are included, the total for program-related expenses is \$11.855 million, or 73% of the total budget (Table 5).

2. Internal Administrative Expenses Budget

104. The IAE budget proposed for 2009 is \$10.216 million, which is 1% lower than for 2008. More cost savings would have been realized if the yen-dollar exchange rate was the same as the assumption for 2008, which was ¥115 to the dollar. Due to recent appreciation of the yen, the exchange rate for 2009 is projected to be ¥100 to the dollar. Around half of the IAE budget is denominated in yen.

105. The major items of the IAE budget details are explained below.

106. **Advisory Council.** The budget for the Advisory Council is mainly travel expenditures of the seven members for two meetings at ADBI premises and ADB headquarters.

107. **Staff Costs.** The staff cost proposed for 2009 is \$5.176 million. This contains the salaries and benefits of 15 professional staff, including the cost of seconded ADB headquarters employees. In accordance with usual budget practices, provisions for salary increases have been made for 2009.

108. **Business Travel.** The proposed business travel budget is higher than in 2008 mainly due to the increased activities. In addition, due to recent increases in fuel prices, the unit cost of staff travel will go up, especially for long-distance mission travel. Under this circumstance, ADBI will continue to reduce business travel expenses by making use of video and telephone conference facilities whenever feasible.

109. **Staff Consultants.** Editors' fees were budgeted for in the staff consultants category. In 2009, these editing costs of \$100,000 are included in the program budget, since the editing activities are so closely related to the publication activities of research and CBT.

110. **Administrative Expenses.** Lease of the ADBI premises and the cost of office equipment are major administrative expenditures.

- (i) **Office occupancy.** The square-meter cost of the office space will increase in 2009 due to the renewal of the lease contract. In addition, the monthly payments of the lease in terms of dollars are expected to increase due to the appreciation of the yen. However, thanks to the colocation of the office of the Japanese Representative Office on the same floor in the Kasumigaseki Building as ADBI from September 2008, ADBI will realize savings through the cost sharing the premises (Box 3).
- (ii) **Office equipment.** The office equipment expenses are mainly for information technology services, including maintenance of the network and telephone systems, and preparation for and implementation of conferences and workshops at ADBI.
- (iii) **Contractual services.** Contractual services include the external audit fee and social security services.
- (iv) **Library.** The library budget will increase due to purchases of databases needed for research activities.

Box 3. Space Sharing between Japanese Resident Office and ADBI

In September 2008, ADB's Japanese Representative Office moved to the 8th floor of the Kasumigaseki Building, where ADBI has been located since its establishment.

The relocation of the Japanese Representative Office is expected to produce several mutual benefits, including

- (i) enhanced external relations and dissemination through ADBI and Japanese Representative Office networks,
- (ii) accelerated collaboration between ADB headquarters and ADBI through frequent visits of ADB Management and staff to ADBI, and
- (iii) efficient sharing of conference facilities and the ADBI library.

ADBI will also benefit by saving the annual rental cost of \$404,000 for the office space now used by the Japanese Representative Office.

ADBI is committed to maximizing the benefits of sharing premises with the Japanese Representative Office.

111. **General Contingency.** About 3% of IAE is set aside as a contingency to provide for unforeseen expenditure.

3. Capital Expenditure Budget

112. Since 1997, ADBI has been utilizing its facilities and equipment efficiently. Due to expiring maintenance periods, the following items need to be replaced in 2009: (i) the PBX (private branch exchange telephone system, \$130,000), (ii) the microphone system for the conference rooms (\$120,000), and (iii) the accounting system (\$50,000). In total, \$300,000 is estimated for these replacements through the 2009 capital expenditure budget (Table 4).

Table 3: 2009 Budget
(\$'000)

Item	2007	2008		2009	Change (%)	
	Actual (A)	Budget (B)	Estimate (C)	Budget (D)	(D/B)	(D/C)
A. Program Expenses						
Research	1,327	2,600	2,600	3,650	40	40
Capacity Building and Training	1,061	1,900	1,900	2,450	29	29
Subtotal (A)	2,388	4,500	4,500	6,100	36	36
B. Internal Administrative Expenses						
1) Advisory Council	101	86	70	86	0	23
2) Staff Costs	4,343	5,042	4,986	5,176	3	4
3) Staff Consultants	20	122	100	0	—	—
4) Business Travel	212	396	400	485	23	21
5) Representation	1	7	3	8	1	67
6) Administrative Expenses	4,104	4,324	4,124	4,163	(4)	1
(i) Office Occupancy	2,957	3,182	3,166	3,205	1	1
(ii) Depreciation	176	205	50	60	(71)	20
(iii) Office Equipment	643	552	570	560	1	(2)
(iv) Contractual Services	166	147	94	90	(39)	(4)
(v) Library	68	120	142	145	21	2
(vi) Communication	51	65	54	55	(15)	2
(vii) Office Supply	30	30	30	30	0	0
(viii) Fire Insurance	3	3	3	3	0	0
(ix) Bank Charge	10	20	15	15	(25)	0
7) General Contingency	0	299	0	298	(0)	
Subtotal (B)	8,781	10,276	9,683	10,216	(1)	6
Total (A+B)	11,169	14,776	14,183	16,316	10	15

() = negative

Source: ADB Institute

Table 4: 2009 Capital Expenditure Budget
(\$'000)

Items	amount
1. The PBX (private branch exchange system)	130.0
2. Microphone system for the conference rooms	120.0
3. The accounting system	50.0
Total	300.0

Source: ADB Institute

Table 5: 2009 Budget by Program
(\$'000)

Item	Research	CBT	AMC	Total	%
A. Program Expenses	3,650	2,450	0	6,100	37
B. Program-Related IAE					
Staff Cost	2,070	1,380	1,725	5,176	
Business Travel, Representation and Advisory Council	232	154	193	579	
Subtotal (B)	2,302	1,535	1,918	5,755	35
Subtotal (A + B)	5,952	3,985	1,918	11,855	73
C. Administrative Expenses				4,163	26
D. General Contingency				298	2
Total (A+B+C+D)				16,316	100

AMC = Administration, Management, and Coordination, IAE = internal administrative expenses.
Source: ADB Institute

VII. RECOMMENDATION

113. In accordance with the Statute of ADBI, I hereby recommend that the Board approve the Asian Development Bank Institute's 2009 work program and its budget amounting to \$16,316,000 and capital expenditure amounting to \$300,000.

Haruhiko Kuroda
President

18 November 2008

ASIAN DEVELOPMENT BANK INSTITUTE QUALITY CONTROL MECHANISMS, 2009–2011

Item	Quality Control Mechanism ^a	Output
A. Research		
Books	For large projects, external reviewers assess work in progress at workshops, seminars, or conferences. Other books are subject to review by experts in the specific field. All books are subject to review and approval for publication by ADBI Publications Committee.	Published in hard copy and posted on website. Major works are generally published by an international commercial publisher. Website usage is tracked monthly, which assesses client interest. Results may be presented at in-country dissemination seminars in liaison with ADB resident missions and representative offices.
Research policy briefs	Based on ADBI books, research papers, or journal articles which have been reviewed internally and externally.	Published in hard copy and soft copy.
Discussion Papers (renamed Working Papers from 1 October 2008)	Reviewed internally and may be presented in a conference or workshop to obtain feedback. External review is conducted when appropriate.	Regarded as preliminary and published only electronically. Website access is tracked monthly. Where appropriate, results may be presented at in-country seminars in liaison with ADB resident missions.
Journal articles	Relevant material is submitted to academic journals and is subject to international review procedures by leading experts.	Published in regional and international journals to reach a research audience.
B. Capacity Building and Training		
Courses and workshops	Course participants and resource speakers evaluate each course.	Suggestions to improve the quality, relevance, and impact of the course.
	Periodic training needs and impact assessments of CBT programs by external consultant.	Reports on CBT needs in ADBI priority areas and impacts of CBT program, including proposals to enhance impact.
Proceedings	Peer or external review on the design, structure, and contents of workshops and training courses.	Improved workshop and course design, contents, and delivery.
Workshop reports, guidelines, handbooks, tool kits	Peer review on summary of outcome and proceedings of the workshops.	Improved quality of summary reports and proceedings.
	Peer review and review by external consultants. Review of training materials, handbooks, and reports by the Publications Committee.	High-quality training materials and publications.

Item	Quality Control Mechanism ^a	Output
C. Outreach Activities		
<i>e-newsline</i>	Editorial monitoring of content by professional staff and external journalists; level of subscriber numbers; feedback from readers.	More than 240 <i>e-newsline</i> issues produced each year, directly reaching more than 3,300 subscribers daily.
Staff participation in external seminars and conferences	Frequency of invitations and repeat invitations; feedback from seminar organizers and participants.	Speeches and papers delivered at events and published online and in event proceedings.
Support for conferences and workshops in ADBI facilities	Reputation, including international reputation, of development partners that wish to work with ADBI.	Conferences and workshops cosponsored with partners in ADBI facilities in Tokyo.
Website	Monitoring and review of the effectiveness of ADBI's website as a dissemination tool. Monthly tracking and quantitative and qualitative assessments of ADBI's website.	Increase in website hits and numbers of web users.
<i>ADBI News</i>	Checked by ADBI professional staff and editor.	2,000-3,000 copies published quarterly, distributed to ADB headquarters, JRO, think tanks, workshop participants, and others. Posted online.

ADBI = Asian Development Bank Institute, CBT= Capacity Building and Training, JRO=Japanese Representative Office

The Advisory Council contributes to quality control by providing advice and recommendations on ADBI's strategic directions and work program. It meets twice yearly.

ADBI MAJOR OUTPUTS AND ACTIVITIES, 2008

Table A2.1: Publications in 2008

Type, number	Title of Publication (As of 17 November)	Month
Books		
	<i>Industrial Development Planning: Cluster-based Approach Policy Seminar</i>	February
	<i>Pilot Course on Infrastructure Workforce Development: Computer Courseware Development</i>	February
	Agni Prasad Kafle <i>Workforce Development in Nepal: Policies and Practices</i>	February
	<i>Distance Learning Course on e-Learning Policies</i>	February
	<i>ADBI Year in Review: 2007</i>	May
	Douglas H. Brooks and Jayant Menon, eds. <i>Infrastructure and Trade in Asia. Cheltenham, UK: ADBI-Edward Elgar.</i>	September
	Shyamal Majumdar <i>Workforce Development in India: Policies and Practices</i>	forthcoming
	Masahiro Kawai and Susan Stone, eds. <i>A Decade of Developments: Annual Conference Proceedings</i>	forthcoming
	Douglas H. Brooks and David Hummels, eds. <i>Infrastructure's Role in Lowering Asia's Trade Costs. Cheltenham, UK: ADBI-Edward Elgar.</i>	forthcoming
	Masahiro Kawai, ed. <i>Ten Years After the Crisis: Experience and Policy Lessons</i>	forthcoming
	Peter McCawley and Sisira Jayasuriya, eds. <i>After the Tsunami: Rebuilding in Indonesia, Sri Lanka, and Thailand</i>	forthcoming
	Masahiro Kawai and Kenji Aramaki, eds. <i>Evolving East Asian Financial System, Trade and Investment</i>	forthcoming
	Masahiro Kawai and Mario B. Lamberte, eds. <i>Managing Capital Flows: Search for a Framework</i>	forthcoming
	Research Paper Series (Published online only. Being phased out and replaced with ADBI journal)	
No. 73	<i>The PRC's Small and Medium Enterprise Development Strategies in the Context of a National Innovation System</i> (Tracy Yang, Jamus Jerome Lim, Toshiki Kanamori)	November
No. 74	<i>At Different Speeds: Recovering from the Asian Crisis</i> (Bruno Rocha)	forthcoming
	Discussion Paper Series/Working Paper Series^a	
No. 85	<i>The Trend of Regional Income Disparity in the People's Republic of China</i> (Zhaoyuan Xu, Shantong Li)	January
No. 86	<i>Managing Capital Flows: The Case of Singapore</i> (Hwee Kwan Chow)	February
No. 87	<i>Central Banks and Capital Flows</i> (Stephen Grenville)	February
No. 88	<i>Managing Capital Flows: The Case of the Republic of Korea</i> (Doo Yong Yang, Soyoung Kim)	February

Type, number	Title of Publication (As of 17 November)	Month
No. 89	<i>Global Partnership in Poverty Reduction: Contract Farming and Regional Cooperation</i> (Sununtar Setboonsarng)	February
No. 90	<i>Rice Contract Farming in Lao PDR: Moving from Subsistence to Commercial Agriculture</i> (Adam Stefan, PingSun Leung, Sununtar Setboonsarng)	February
No. 91	<i>Managing Capital Flows: The Case of the Philippines</i> (Josef Yap)	March
No. 92	<i>International Financial Integration through the Law of One Price: The Role of Liquidity and Capital Controls</i> (Neeltje Van Horen, Sergio Schmukler, Eduardo Levy Yeyati)	March
No. 93	<i>Managing Capital Flows: The Case of Malaysia</i> (K. K. Foong)	March
No. 94	<i>Managing Capital Flows: The Case of Indonesia</i> (Raymond Atje, Ira S. Titiheruw)	March
No. 95	<i>Managing Capital Flows: The Case of Thailand</i> (Kanit Sangsubhan)	March
No. 96	<i>Managing Capital Flows: The Case of the People's Republic of China</i> (Yongding Yu)	March
No. 97	<i>Managing Large Capital Inflows: Taking Stock of International Experiences</i> (Susan Schadler)	March
No. 98	<i>Managing Capital Flows: The Case of India</i> (Ila Patnaik, Ajay Shah)	May
No. 99	<i>Managing Recent Hot Money Inflows in Asia</i> (Robert McCauley)	March
No. 100	<i>A Survey of the Literature on Managing Capital Inflows</i> (Shinji Takagi, Masahiro Kawai)	March
No. 101	<i>Organic Crops or Energy Crops? Options for Rural Development in Cambodia and the Lao People's Democratic Republic</i> (Sununtar Setboonsarng, Anil Markandya)	April
No. 102	<i>Macroeconomic Management Amid Ethnic Diversity: Fifty Years of Malaysian Experience</i> (Jayant Menon)	April
No. 103	<i>Managing Capital Flows: Experiences from Central and Eastern Europe</i> (Iulia Siedschlag, Jürgen von Hagen)	April
No. 104	<i>Microfinance and the Millennium Development Goals in Pakistan: Impact Assessment using Propensity Score Matching</i> (Ziyodullo Parpiev, Sununtar Setboonsarng)	April
No. 105	<i>Managing Capital Flows: The Case of Viet Nam</i> (Pham Chi Quang, Vo Tri Thanh)	May
No. 106	<i>Market-based Certification and Management of Non-Timber Forest Products in Bhutan: Organic Lemongrass Oil, Poverty Reduction, and Environmental Sustainability</i> (Kesang Tshomo, Sununtar Setboonsarng, Irmela Krug, Karma Yangzom)	May

Type, number	Title of Publication (As of 17 November)	Month
No. 107	<i>Standards and Agricultural Trade in Asia</i> (Timothy Purcell, Daniele Giovannucci)	May
No. 108	<i>Armington Meets Melitz: Introducing Firm Heterogeneity in a Global CGE Model of Trade</i> (Fan Zhai)	May
No. 109	<i>Rice Contract Farming in Cambodia: Empowering Farmers to Move Beyond the Contract Toward Independence</i> (PingSun Leung, Sununtar Setboonsarng, Luyna Ung, Junning Cai)	June
No. 110	<i>The Impact of Rural Infrastructure and Agricultural Support Services on Poverty: The Case of Agrarian Reform Communities in the Philippines</i> (Sununtar Setboonsarng)	June
No. 111	<i>Macroeconomic Policy and Poverty</i> (Iwan Azis)	July
No. 112	<i>Overview of Contract Farming in Thailand: Lessons Learned</i> (Aree Wiboonpoongse, Songsak Sriboonchitta)	July
No. 113	<i>The Impact of Terrorism and Conflicts on Growth in Asia, 1970–2004</i> (Todd Sandler, Khusrav Gaibulloev)	July
No. 114	<i>Managing Prolonged Low Fertility: The Case of Singapore</i> (Amarendu Nandy, Mukul Asher)	August
No. 115	<i>Can Ethical Trade Certification Contribute to the Attainment of the Millennium Development Goals? A Review of Organic and Fair-Trade Certification</i> (Sununtar Setboonsarng)	August
No. 116	<i>Regional Monetary Units for East Asia: Lessons from Europe</i> (Girardin, Steinherr)	September
No. 117	<i>Sources of FDI Flows to Developing Asia: the Roles of Distance and Time Zones</i> (Ramkishen Rajan)	October
No. 118	<i>No Through Road: The Limitations of Food Miles</i> (Wynen, Vanzetti)	October
No. 119	<i>ASEAN Open Skies and the Implications for Airport Development Strategy in Malaysia</i> (Siew Yean Tham)	November
No. 120	<i>Global and Regional Shocks: Challenges to Asian Economies</i> (Kwanho Shin)	November
No. 121	<i>Crises, Capital Controls, and Financial Integration</i> (Yeyati, Schmukler, Van Horen)	November

^a On 1 October, Discussion Papers were renamed Working Papers to align ADBI research products with those of ADB.

Research Policy Briefs

No. 25	<i>Evolving Regional Financial Architecture in East Asia</i> (Masahiro Kawai)	February
No. 26	<i>Managing Capital Flows in Asia: Policy Issues and Challenges</i> (Masahiro Kawai, Mario Lamberte)	June

Type, number	Title of Publication (As of 17 November)	Month
No. 27	<i>Infrastructure and Asia's Trade Costs</i> (Douglas Brooks)	June
No. 28	<i>Small- and Medium-Sized Enterprise Development in the People's Republic of China: A Strategy for the National Innovation System</i> (Tracy Yang, Jamus Jerome Lim, Toshiki Kanamori)	September
No. 29	<i>Organic Crops or Energy Crops? Options for Rural Development in Cambodia and the Lao People's Democratic Republic</i> (Markandya, Setboonsarng)	forthcoming
No. 30	<i>At Different Speeds: Recovering from the Asian Crisis</i> (Bruno Rocha)	forthcoming

Book Chapters, Articles in Refereed Journals

Brooks, D.H., D. Roland-Holst and F. Zhai. 2008. Behavioral and Empirical Perspectives on FDI: International Capital Allocation across Asia. *Journal of Asian Economics* 19 (1): 40–52.

Brooks, D.H., and F. Zhai. 2008. The Macroeconomic Effects of Infrastructure Financing: A Tale of Two Countries. *Integration and Trade* 28: 297–323. (Also published as Efectos macroeconómicos del financiamiento de infraestructura: Historia de dos países. *Integración y Comercio* 28: 315–344.)

Kawai, Masahiro. 2008. Evolving Regional Financial Architecture in East Asia. In *Regional Outlook: Southeast Asia, 2008-2009*, edited by Nair, Deepak and Lee Poh Onn. Singapore: Institute of Southeast Asian Studies. 77–83.

Kawai, Masahiro. 2008. Toward a Regional Exchange Rate Regime in East Asia. *Pacific Economic Review* 13 (1, February): 83–103.

Kawai, Masahiro, and Ganeshan Wignaraja. 2008. A Broad Asian FTA Will Bring Big Gains. *Far Eastern Economic Review* (April 2008): 46–48.

Lamberte, Mario B. 2008. Comment on Globalization, Inequality, and Local-Level Dynamics: Indonesia and the Philippines. *Asian Economic Policy Review* 3 (1, June): 62–63.

Lamberte, Mario B. 2008. Comment on Mortgage Securitization in Asia: Gains and Barriers. In *Financial Sector Development in the Pacific Rim*, edited by Takatoshi Ito and Andrew K. Rose. National Bureau of Economic Research. University of Chicago Press. 126–128.

Lamberte, Mario B. 2008. Comment on The Determinants of Cross-Border Merger and Acquisition Activity in the Banking Sector in Asia: Did the Financial Crisis Change Them? In *Financial Sector Development in the Pacific Rim*, edited by Takatoshi Ito and Andrew K. Rose. National Bureau of Economic Research. University of Chicago Press. 246–248.

Ogawa, Eiji, and Doo Yong Yang. 2008. The Dilemma of Exchange Rate Arrangements in East Asia. *Japan and the World Economy* 20: 217–235.

Park, Yung Chul, Yunjong Wang, and Doo Yong Yang. 2008. Regional and Multilateral Efforts: Institution-Building. In *Macroeconomic Volatility, Institutions and Financial Architectures: The Developing World Experience*, edited by Jose Maria Fanelli. Palgrave. 45–72.

Setboonsarng, Sununtar, P.S. Leung, and A. Stefan. 2008. Profitability of Organic Agriculture in a Transition Economy: The Case of Organic Contract Rice Farming in Lao PDR. Proceedings of the 2nd Scientific Conference of the International Society of Organic Agriculture Research, Cultivating the Future Based on Science, 16–20 June 2008 in Modena, Italy.

Setboonsarng, Sununtar, P.S. Leung, and J. Cai. 2008. Impacts of Institutional Arrangements on the Profitability and Profit Efficiency of Organic Rice in Thailand. Proceedings of the 2nd Scientific Conference of the International Society of Organic Agriculture Research, Cultivating the Future Based on Science, 16–20 June 2008 in Modena, Italy.

Zhai, Fan. 2008. Armington Meets Melitz: Introducing Firm Heterogeneity in a Global CGE Model of Trade. *Journal of Economic Integration* 23 (3): 575–604

Zhai, Fan and Jianwu He. 2008. Supply-side Economics in the People's Republic of China's Regional Context: A Quantitative Investigation of Its VAT Reform. *Asian Economic Papers* 7 (2): 96–121.

Table A2.2: Selected Activities, 2008

Activity	Month
Distinguished Speaker Seminar Series	
Klaus Regling, Director General of Economic and Financial Affairs of the European Commission Topic: EMU After (Almost) 10 Years: How Does It Work? What Are the Challenges?	February
Vito Tanzi, former State Undersecretary for Economy and Finance, Ministry of Economy and Finance, Italy; former Director, Fiscal Affairs Department, International Monetary Fund Topic: Challenges to Fiscal Decentralization	February
Manoranjan Dutta, Professor of Economics, Rutgers University Topic: European Union and The Euro Revolution and Asia: The Asian Economy and Asian Money	February
Johannes F. Linn, Senior Fellow, Global Economy and Development; Executive Director, Wolfensohn Center for Development at The Brookings Institution Topic: Global Governance Reform: The Imperatives of a New Global Economic Reality	March
Yung Chul Park, Research Professor and Director, Center for International Trade and Finance, Graduate School of International Studies, Seoul National University Topic: Global Imbalances and East Asia	March
Michael G. Plummer, Professor of International Economics, Johns Hopkins University, SAIS-Bologna Topic: Integration Strategies for ASEAN: Alone, Together, or Together with Neighbors?	March

Activity	Month
A. Michael Spence, Philip H. Knight Professor Emeritus of Management in the Graduate School of Business, Stanford University Topic: Economic Growth for Development and Poverty Reduction	March
Mahani Zainal Abidin, Director-General, Institute of Strategic and International Studies, Malaysia Topic: The Impact of Changing Demographics and Need for Human Capital in Asia's Development	March
Marcus Noland, Senior Fellow at the Peterson Institute for International Economics Topic: North East Asia: Current Issues and Future Prospects	April
Chalongphob Sussangkarn, Distinguished Fellow, Thailand Development Research Institute Topic: Bridging Research and Policy: Perspectives from Experiences in Research and in Government	July
Yulin Zhang, Professor of International Economics, Graduate School, Chinese Academy of Social Science Topic: The People's Republic of China's Regional Strategy	September
Justin Lin, Chief Economist and Senior Vice President, World Bank Topic: The Impact of the Current Financial Crisis on Developing Countries	October
Research: Conferences, Seminars, and Workshops	
Challenges for the Asian Economy in 2008 and Beyond In collaboration with ADB headquarters	February
Inception meeting on Infrastructure and Regional Cooperation study	February
Regional Cooperation and Integration in Central Asia under CAREC: The Road to Stability and Prosperity In collaboration with ADB headquarters	February
Managing Capital Flows: Search for a Framework: High-level Conference	March
Symposium on Environment and Engagement of the Private Sector: Toward G8 Summit In collaboration with Japanese Ministry of Finance, World Bank, IFC, ADB, JBIC. Sponsored by Japanese Financial Services Agency.	March
Conference on Key Development Issues in Asia	April
Public Finance/Social Security System and Intergenerational Issues in De-population Society In collaboration with PRI; Ministry of Finance, Japan; and Hitotsubashi University	June
Infrastructure and Regional Cooperation Flagship Study: 2nd Workshop (Part A) on Policies and Institutions and Financing Infrastructure	June

LAEBA 2008 Conference: Trade Costs and Regional Cooperation In collaboration with Inter-American Development Bank	June
Infrastructure and Regional Cooperation Flagship Study: 2nd Workshop (Part B) on Transnational Infrastructure Networks and Trade and Logistics	July
Asian Noodle Bowl Conference In collaboration with ADB headquarters and ERIA	July
Conference on the Subprime Mortgage Crisis, Managing Capital Flows, and the Asian Economy In collaboration with Forum on East Asian Monetary Cooperation	August
Emerging Asian Regionalism: The Challenges of Economic Integration In collaboration with ADB headquarters	September
Multilateralizing Asian Regionalism Conference In collaboration with the Center for Trade and Economic Integration	September
Conference on Macroeconomic Spillovers In collaboration with European Central Bank	October
Infrastructure and Regional Cooperation Flagship Study: 3rd Workshop	October
Commodity Prices and Global Inflation	December
Infrastructure and Regional Cooperation Flagship Study: Book Finalization Meeting	December
Annual Conference	December

ADB = Asian Development Bank, ADBI = Asian Development Bank Institute, ASEAN = Association of Southeast Asian Nations, CAREC = Central Asia Regional Economic Cooperation program, EMU = European Monetary Union, ERIA = Economic Research Institute for ASEAN and East Asia, FDI = foreign direct investment, G8 = Group of Eight countries, IFC = International Finance Corporation, JBIC = Japan Bank for International Cooperation, LAEBA = Latin America/Caribbean and Asia/Pacific Economics and Business Association, Lao PDR = Lao People's Democratic Republic, PRC = People's Republic of China, PRI = Policy Research Institute, SAIS = School of Advanced International Studies

SELECTED RESEARCH ACTIVITIES, 2009–2011: PROJECT OUTLINES

Theme: Crosscutting

Project: Implications of the Global Financial Crisis for the Sustainability of Asia's Economic Growth

Activity Outline: This study is motivated by the recent global financial crisis originating from the US subprime mortgage market crisis, which has deepened and broadened despite measures adopted by the US and other industrialized countries to calm the market. There are now strong signs that the global financial crisis has affected the real economy of major industrialized and emerging economies. The study will cover three groups of issues:

- (i) Thematic issues that can be addressed in the short term to deal with the global financial crisis (e.g., monetary and exchange rate policies, balancing inflation control and sustainable growth, deposit insurance policy, and foreign loan guarantees; bank recapitalization scheme; and other measures undertaken by various countries to relax liquidity in financial markets and avert a credit crunch).
- (ii) Long-term structural and institutional issues (e.g., the extent to which the state regulates financial and nonfinancial institutions; strengthening Asian countries' macroeconomic management framework and institutional framework for policy formulation, coordination, and implementation; making market-oriented policies work, such as switching from universal subsidy to targeted subsidy programs, especially in times of economic stress; and making Asia's financial system deep and resilient to global shocks, which will include issues on developing the capital market, financial sector information infrastructure, and financial sector regulatory and supervisory structure).
- (iii) Regional cooperation (e.g., multilateralization of the Chiang Mai Initiative, facilitating financial market integration in the region, strengthening the regional cooperation process in key policy areas such as exchange rate policy, and coordination of measures to deal with the global financial crisis).

Expected Outputs: Discussion papers, policy briefs, and a book

Partners: Asian Development Bank (ADB) headquarters (Economics Research Department [ERD] and Office of Regional Economic Integration [OREI]); Bank for International Settlements Representative Office in Hong Kong, China; and Organisation for Economic Co-operation and Development (OECD)

Time Period: November 2008–March 2010

Theme: Crosscutting (under the Global Financial Crisis project)**Project: Small- and Medium-Sized Enterprise Financing**

Activity Outline: The development and promotion of microfinance has improved the access of microenterprises to financial services. Three highly related issues, however, need to be addressed. First, most of those who have gained access to microfinance services have not graduated from the microfinance market. Second, a large segment of the population is engaged in small- and medium-sized businesses and needs financial services that are different from microfinance services. Third, there are now efforts to develop national and regional capital markets through regional cooperation initiatives. The recent global financial crisis has raised fears that small- and medium-sized enterprises (SMEs) will be hardest hit by the credit crunch.

The objective of this project is to examine these three issues and find out whether the existing policy and regulatory environment is conducive to the provision of financial services that cater to SMEs as well as to microenterprises wanting to graduate to small enterprises. It will also examine measures to be adopted to ensure that those SMEs that have access to credit will continue to have such access in a situation where there is a credit crunch.

Expected Outputs: Discussion papers, policy briefs, and a book

Partners: Asian think tanks

Time Period: January 2009–March 2010

Theme: Crosscutting (under the Global Financial Crisis project)**Project: Credit Ratings, Credit Rating Agencies, and their Development in Asia**

Activity Outline: In spite of some recent openings, there are only three traditional global rating agencies (GRAs): Moody's, Standard & Poor's, and Fitch Ratings. Though they originated in the US, in recent decades GRAs have come to play a key role in the functioning of international financial markets. All across the world their ratings are one of the main worries of sovereigns, municipal authorities, banks, and nonfinancial companies. GRA ratings have even been adopted as the keystone of financial regulation. However, performance of credit rating agencies during the current global financial crisis has been called into question. More specifically, their ratings tend to be pro-cyclical and they have low ability to class structured securities, rekindling accusations related to conflicts of interests. This has prompted calls from various quarters for more thorough oversight of credit rating agencies.

This project will produce about 12 papers on issues of rating agencies, theoretical rationales, and their developments, challenges, and future prospects and benefits to the Asia and Pacific region.

Expected Outputs: Discussion papers, policy briefs, and a book

Partners: OREI, University of Bari (Italy), and Banco Bilbao Vizcaya Argentaria (Hong Kong, China)

Time Period: October 2008–July 2009

Theme: Crosscutting (under the Global Financial Crisis project)**Project: Strengthening Payment Systems in Asia**

Activity Outline: The payment system is a major component of financial infrastructure that a country must provide so that the financial system can function efficiently. This project will deal with two groups of issues. The first group of issues deals with capital flows, payment systems, and the conduct of monetary policy in light of the global financial crisis. The second group deals with advances in payment system technologies, institutional reforms, supervisory and regulatory issues, and benefits microenterprises and SMEs can derive from such developments.

Expected Outputs: Discussion papers, policy briefs, and a book

Partners: Japan's Financial Services Agency, Bank of Japan, and Keio University

Time Period: November 2008–August 2009

Theme: Crosscutting**Flagship Project: Infrastructure and Regional Cooperation**

Activity Outline: The objective of this flagship project is to examine the key issues and challenges facing infrastructure in Asia's ongoing efforts to support regional cooperation.

The project will produce at least 25 research papers, which will be published in two volumes. The first volume will provide policy recommendations for four major areas of regional infrastructure:

- (i) trade and logistics,
- (ii) institutions and policy,
- (iii) financing, and
- (iv) transnational network issues.

Expected Outputs: Research papers, policy briefs and books, dissemination seminars

Partner: ADB headquarters

Time Period: March 2007–December 2009

Theme: Inclusive and Sustainable Growth**Project: Economy-wide Assessment of Climate Change for Developing Asia**

Activity Outline: Climate change will be one of the most significant global challenges of the 21st century. The developing world is likely to experience a disproportionate amount of adverse impacts from global warming because of its heavy dependence on agriculture and natural resources, rapid population growth, and limited capacity to adapt to climate change. This study aims to assess the economic impacts of climate change for Asian developing countries and evaluate the policy options available to them for adaptation and mitigation. It will highlight the impacts on developing Asia with broader country and sector details. It will serve to inform policy makers about the key risks and the policies that can minimize them.

Expected Outputs: Two model tools, discussion papers, research policy briefs, and a book

Partners: ADB headquarters; World Bank; Global Trade Analysis Project, Purdue University; Energy Modeling Forum, Stanford University.

Time Period: January 2009–October 2010

Theme: Inclusive and Sustainable Growth**Project: Environmental Impact of Growth in Transport on Southeast Asia**

Activity Outline: The objective of this project is to examine the key issues and challenges facing the growth in transport in Southeast Asia. The study will focus on freight transport examining road, rail, air, and seaport traffic from the perspective of air emissions, water pollution, land degradation, and congestion. The project will cover aspects such as the following:

- (i) Environmental impact of the growth in trade and seaport activity.
- (ii) Increasing road congestion: real choices for road versus rail.
- (iii) Air freight: substitute or complement.
- (iv) Competition among alternative land uses: how to determine the best alternative.
- (v) Modes of incorporating growing emissions into the cost of freight transport.

Expected Outputs: Discussion papers, policy briefs, and a book

Partners: ADB headquarters and Asian think tanks

Time Period: March 2009–April 2010

Theme: Regional Cooperation and Integration**Project: People's Republic of China, Japan, and the United States: Deeper Integration**

Activity outline: Over the past decade, economic links among the People's Republic of China (PRC), Japan, and the US have sharply intensified. This project will explore the new structural links connecting the three countries, as well as measures for improving the policy framework that supports their deepening economic relationship.

Specific research topics to be covered are:

- (i) examining trade and investment links in order to identify the industries undergoing the greatest adjustments and productivity gains;
- (ii) examining the impact of these links on Chinese, Japanese, and American firms through technology and productivity spillovers;
- (iii) assessing the potential for domestic and international tensions resulting from deeper integration;
- (iv) proposing trade and investment policies that can help to relieve tensions and maximize mutual gains; and
- (v) implications for other developing Asian countries.

Expected Outputs: Discussion papers and policy briefs

Partners: East-West Center and the Asia-Pacific Center, Brandeis University

Time Period: October 2008–July 2009

Theme: Regional Cooperation and Integration**Project: The Two Integrations in Europe and Asia**

Activity Outline: This study intends to do a comparative analysis of the European and Asian integration processes in order to draw lessons from both processes. It will be interdisciplinary, addressing themes such as economic, energy, and environmental issues, politics, global governance, human security, and cultural and institutional issues. More specifically, it will conduct analysis of:

- (i) European and Asian integration processes in the context of the evolving international system and of the changing modes of global governance,
- (ii) cultural and institutional factors which may foster regional integration and a regional identity,
- (iii) human security in European and Asian integration,
- (iv) necessity and possibility of an energy and environmental community in Europe and Asia,
- (v) production networks in Europe and Asia and lessons learned, and
- (vi) implications of the European intraregional monetary framework for Asia.

Expected Outputs: Discussion papers, policy briefs, and a book

Partner: European University Institute and Asia-Europe Foundation

Time Period: January 2009–December 2009

Theme: Regional Cooperation and Integration**Project: Annual Latin America/Caribbean and Asia/Pacific Economics and Business Association (LAEBA) Conference**

Activity Outline: The annual LAEBA conference is to be held in Asia under Asian Development Bank Institute (ADBI) direction in 2009. Given the success of the 2008 conference, it has been decided to once again partner the conference with the Asia-Pacific Economic Cooperation (APEC) Study Center Consortium conference, which is to be held in Singapore in July. The exact topic for the APEC conference is still undecided but will concentrate on some aspects of regional integration. The Institute of Southeast Asian Studies has indicated its desire to have ADBI contribute to this discussion. The LAEBA conference topic will be chosen to complement the topic for the APEC conference.

This will entail contracting 3–4 regional researchers and funding their participation in the meeting.

Expected Outputs: Discussion papers, policy briefs, and a book

Partners: Inter-American Development Bank, APEC Study Center Consortium, and Institute of Southeast Asian Studies (for 2009)

Time Period: March 2009–December 2011

Theme: Regional Cooperation and Integration**Project: Asia's Emerging Economies: ASEAN, India, and People's Republic of China**

Activity Outline: The emergence of the PRC and India as major economic players is one of the most significant economic developments in the world economy in recent years. The Association of Southeast Asian Nations (ASEAN) is taking center stage in economic cooperation in the region, such as ASEAN+1, ASEAN+3, and ASEAN+6. Against this background, this project will conduct studies on development issues of Asia's emerging economies including PRC, India, and ASEAN as a group. The research may center on the following areas:

- (i) Macroeconomic and microeconomic factors that determine the sustainability of the economic growth of Asia's emerging economies.
- (ii) Economic growth, urbanization, and the environment.
- (iii) Regional integration among these economies with special emphasis on trade, finance, and governance.

Expected Outputs: Discussion papers, policy briefs, and a book

Partners: Asian think tanks

Time Period: January 2010– October 2011

ASEAN+3 = ASEAN and Japan, the PRC, and Korea; ASEAN+6 = ASEAN+3 and Australia, New Zealand, and India.

Theme: Governance for Policies and Institutions**Project: Strengthening Banking and Financial Sector for Regional Financial Stability**

Activity Outline: The lack of a resilient financial sector is one of the most important factors behind a financial crisis. Establishing strong and resilient national financial systems is essential to ensure national and regional financial stability. The main purpose of this project is to examine the issues and challenges for strengthening the risk management and vulnerability monitoring capacity of financial institutions, particularly deposit-taking banks, through (i) better vulnerability monitoring frameworks, (ii) better regulatory and supervisory frameworks and greater competition, and (iii) improved corporate governance of financial institutions.

Expected Outputs: Discussion papers, policy briefs, and a book

Partners: Selected developing member country financial sector regulators and Asian think tanks

Time Period: January 2010–April 2011

SELECTED CAPACITY BUILDING AND TRAINING ACTIVITIES, 2009–2011: PROJECT OUTLINES

Theme: Inclusive and Sustainable Growth

Project: Water Resources Management

Activity Outline: A number of workshops and meetings will be organized on issues related to water resources management to promote best practices and share country experiences through case studies and group work. These may include the Network of Asian River Basin Organization General Meeting; integrated water resource management; public–private partnerships (PPPs) in integrated water resource management; water-related disaster management, monitoring, and evaluation of water rights and water allocation proposals; climate change adaptation; water governance; and the Asia-Pacific Water Summit.

Expected outputs: Adoption of best practices, country action plans, enhanced networking

Target Group: Officials from relevant developing member country (DMC) ministries/agencies

Partners: Asian Development Bank (ADB) headquarters, International Water Management Institute, Japan Water Agency, Mekong River Commission, and Network of Asian River Basin Organizations Secretariat

Time Period: 2009–2011

Theme: Inclusive and Sustainable Growth

Project: Public–Private Partnerships in Infrastructure (PPPIs)

Activity Outline: Workshops on PPPs in infrastructure will be organized in partnership with ADB regional departments and resident missions, and in collaboration with the World Bank Institute as part of the Multilateral PPPI Capacity Building initiative to address specific issues related to PPPs, such as how to design bankable projects in the main physical infrastructure sectors (power, transport, and water), and to pilot test the global PPPI training materials to be developed for the global online and multimedia distance learning program. PPPI Days 2009 will be jointly hosted in Manila by ADBI and ADB and co-organized with the World Bank Institute.

Expected outputs: Adoption of best practices on PPPs, design of bankable PPP projects

Target Group: Officials from relevant DMC ministries/agencies

Partners: World Bank Institute, Inter-American Development Bank, Public-Private Infrastructure Advisory Facility, PPPI Global Network, and development and private sector partners with a focal interest in PPPs

Time Period: April–October 2009

Theme: Inclusive and Sustainable Growth**Project: Microfinance Training of Trainers**

Activity Outline: This is an annual distance learning course that started in 2004. It aims to enhance the capacity of microfinance operators and institutes in the Asia and Pacific region by training microfinance trainers. The training can also benefit regulators by enhancing their understanding of microfinance operations, their risk profile, and implications for regulation or supervision.

Expected Outputs: Trained microfinance trainers

Target Group: Officials from ministries of finance, central banks, related financial services agencies, and microfinance institutions

Partners: World Bank (Tokyo Development Learning Center); Global Development Learning Network; and ADB headquarters

Time Period: Regular annual activity: July–October, 2009–2011

Theme: Inclusive and Sustainable Growth**Project: Aligning Strategic Development Policies with Millennium Development Goals**

Activity Outline: The ADB–United Nations Development Programme–United Nations Economic and Social Commission for Asia and the Pacific MDG Partnership has developed a road map called “Delivering as One: Asia-Pacific Regional MDG Road Map 2008–2015” that includes statistical capacity building for developing basic statistics on MDG-related indicators and capacity building to help planning and development agencies align their national development plans with the MDGs. In partnership with ADB's Regional and Sustainable Development Department (RSDD), workshops will be organized to identify gaps in the development of MDG-related indicators in DMCs and to explore ways to further develop them. Separate workshops may be organized to review the progress of achieving the MDGs, identify remaining impediments, and share best practices and country experiences in realizing the MDGs, including through the appropriate inclusion of the MDGs in the national development plan and strategies.

Expected Outputs: Development of MDG-related indicators, and alignment of national development plans and strategies with the MDGs

Target Group: Senior officials from statistical agencies and national development and planning agencies in the Asia and Pacific region

Partners: ADB headquarters (RSDD), United Nations Development Programme, and United Nations Economic and Social Commission for Asia and the Pacific

Time Period: July 2009

Theme: Inclusive and Sustainable Growth**Project: Strategic Environmental Assessment for Green Growth**

Activity Outline: Environmental impact assessment (EIA) and strategic environmental assessment (SEA) are structured approaches for obtaining and evaluating environmental information for use in decision making in the development process. While EIA focuses on proposed physical developments such as highways and power stations, SEA focuses on proposed actions, such as amendment of laws and policies, at a policy level. To improve the regional capacity, workshops will be organized to discuss issues related to effective implementation of EIA and SEA and the interdependence of infrastructure development, industrial restructuring, and environmental systems, and to share country experiences.

Expected Outputs: Best practices for application of EIA and SEA

Target Group: Senior officials from relevant agencies in charge of environmental assessment

Partners: ADB headquarters (RSSD), World Bank, United Nations Environment Programme, United Nations Economic and Social Commission for Asia and the Pacific, and World Health Organization

Time Period: September 2009; subsequent activities to be scheduled based on DMCs' needs

Theme: Inclusive and Sustainable Growth**Project: Capital Market Development and Integration**

Activity Outline: Continued collaboration with OECD will be explored to organize the Roundtable on Capital Market Reform series. The roundtable serves as a platform to discuss international best practices and standards in market supervision and enforcement, risk management, market infrastructure for trading, clearing and settlement, disclosure, governance, and accounting, among others. Issues and best practices related to capital account liberalization and harmonization of market standards and practices can also be discussed to promote further integration of capital markets.

Expected Outputs: Adoption of best practices and standards

Target Group: Officials from capital market authorities and commissions and related agencies

Partners: ADB headquarter (Southeast Asia Department and OREI), OECD, and South East Asian Central Banks Research and Training Center

Time Period: March 2009; subsequent activities to be scheduled based on DMCs' needs

Theme: Inclusive and Sustainable Growth**Project: Small- and Medium-Sized Enterprise Clusters and Poverty Alleviation**

Activity Outline: Industrial clusters, or geographic concentration of firms working in the same industry, offer SMEs the prospect of competitive growth. Workshops will be organized to discuss key issues to promote further development of SMEs in industrial clusters and share country experiences.

Expected Output: Best practices on industrial clusters for SMEs

Target Group: Senior officials from relevant agencies in charge of SME development

Partners: United Nations Industrial Development Organization, Institute for Global Environmental Strategies, Asian Productivity Organization, and Japan Finance Corporation

Time Period: December 2009; subsequent activities to be scheduled based on DMCs' needs

Theme: Regional Cooperation and Integration**Project: Trade Facilitation**

Activity Outline: To continue sharing country practices and experiences on trade facilitation, regional workshops will be organized to promote best practices and share country experiences on issues such as rules of origin, customs, avoidance of double taxation, anti-dumping and other trade remedy measures, sanitary and phytosanitary measures, and World Trade Organization trade facilitation

Expected Outputs: Adoption of best practices, harmonization of policies

Target Group: Officials from relevant DMC ministries and agencies

Partners: ADB headquarters (OREI); ASEAN/South Asian Association for Regional Cooperation secretariats; United Nations Conference on Trade and Development; Government of Japan; Food and Agriculture Organization

Time Period: February and December 2009, February 2010, December 2011

Themes: Regional Cooperation and Integration/Governance for Policies and Institutions**Project: Competition Policies**

Activity Outline: As regulations or limitations on intraregional trade and investment are relaxed or removed with closer economic integration, a need arises for an effective competition law that applies consistently across the region so as to promote fair competition and prevent collusion, restrictive business practices, and abuse of dominant positions. An effective competition law will also help promote the growth of SMEs and allow them to compete more effectively in a larger and more integrated economic region. Workshops will be organized to share recent developments of, and explore ways to further harmonize, competition laws and policies in ASEAN and East Asia, as well as to enhance the capacity of competition agencies.

Expected Outputs: Adoption of best practices for setting up an effective competition agency, implementation and enforcement of competition laws and policy, and competition advocacy

Target Group: Senior officials from competition agencies in the ASEAN and East Asian region

Partners: Japan Fair Trade Commission, United States Fair Trade Commission, ASEAN Secretariat

Time Period: 2009–2011, specific schedules to be determined

Theme: Governance for Policies and Institutions**Project: Tax Administration**

Activity Outline: The annual tax administration seminars will be organized to enhance the efficiency and effectiveness of tax administration in DMCs by addressing tax-related issues such as anticorruption measures, taxpayers' service, and the use of information technology in tax administration.

Expected Outputs: Improved efficiency and effectiveness of tax administration, enhanced networking

Target Group: Officials from DMCs' tax authorities in charge of administration

Partners: International Monetary Fund Institute (Singapore); National Tax Agency, Japan; and ASEAN Tax Administration

Time Period: June 2009, May 2010, June 2011

Theme: Governance for Policies and Institutions**Project: Best Practices in Public Sector Reform**

Activity Outline: In support of development and management of public infrastructure, activities on public sector management will aim to introduce best practices in public sector management to enhance the quality of, and widen access to, public services. Where possible, there will be a focus on infrastructure management. These activities could include public policy formulation, institutional frameworks, planning, procurement, governance, fiscal and public financial management, performance measurement, and management.

Expected Outputs: Adoption of best practices

Target Group: Officials from relevant ministries from both central and local governments

Partners: ADB headquarters, World Bank, United Nations Economic and Social Commission for Asia and the Pacific, OECD, and International Public Management Network

Time Period: 2010; subsequent activities to be scheduled based on DMCs' needs

Theme: Governance for Policies and Institutions**Project: Banking Regulation and Supervision**

Activity Outline: The recent rise in commodity prices and the global financial crisis have caused greater volatility in the economies of DMCs, though the nature and magnitude of the impacts vary depending on the country. To enhance the understanding of policy makers regarding these emerging risks, and to improve their capacity to safeguard macroeconomic and financial stability, workshops will be organized to identify and discuss emerging risks to DMCs, evaluate their potential impacts, and share country experiences, measures, and best practices in addressing them.

Expected Outputs: Enhanced banking regulation and supervision

Target Group: Officials from central banks and monetary authorities, ministries of finance, and financial supervision agencies in the Asia and Pacific region

Partners: ADB headquarters, US Federal Reserve, OECD, South East Asian Central Banks Research and Training Center

Time Period: 2009; subsequent activities to be scheduled based on DMCs' needs

