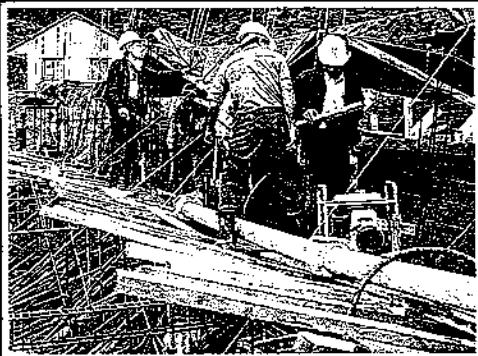


ASIAN DEVELOPMENT BANK

Annual Report 1993





ADB Headquarters in Manila, Philippines.

The Asian Development Bank

The Asian Development Bank, a development finance institution consisting of 53 member countries as of end-1993,* is engaged in promoting the economic and social progress of its developing member countries in the Asian and Pacific region.

The Bank started functioning in December 1966 with its Headquarters in Manila, Philippines. It is owned by the governments of 37 countries from the region and 16 countries from outside the region.

In 27 years of operations, the Bank has become a major catalyst in promoting the development of the most populous and fastest-growing region in the world today. The Bank's principal functions are: (i) to make loans and equity investments for the economic and social advancement of developing member countries; (ii) to provide technical assistance for the preparation and execution of development projects and programs and advisory services; (iii) to promote investment of public and private capital for development purposes; and (iv) to respond to requests for assistance in coordinating development policies and plans of developing member countries. In its operations, the Bank is also required to give special attention to the needs of the smaller or less developed countries and give priority to regional, sub-regional and national projects and programs which will contribute to the harmonious economic growth of the region as a whole.

The financial resources of the Bank consist of ordinary capital resources, comprising subscribed capital, reserves and funds raised through borrowings; and Special Funds, comprising contributions made by member countries, accumulated net income and amounts previously set aside from the paid-in capital. Loans from ordinary capital resources, which account for 69% of cumulative Bank lending, are generally made to member countries which have attained a somewhat higher level of economic development. Loans from the Asian Development Fund are made on highly concessional terms and almost exclusively to the poorest borrowing countries.

The Bank has borrowed funds for its ordinary operations from the capital markets of Europe, Asia, the Middle East

and United States. The Bank's callable capital, which at the end of 1993 accounted for nearly 88% of its subscribed capital, backs its borrowings in the capital markets.

The Bank's operations cover the entire spectrum of economic development, with particular emphasis on agriculture, energy, capital market development, transport and communications and social infrastructure. Most Bank financing is designed to support specific projects. However, the Bank also provides program, sector and multiproject loans.

The Bank actively pursues co-financing activities with official as well as commercial and export credit sources. The Bank has also entered into equity investment operations.

The Bank's highest policy-making body is its Board of Governors which meets annually. The direction of the Bank's general operations is the responsibility of the Board of Directors - composed of 12 Directors (each with an Alternate) - eight representing regional countries and four representing non-regional countries. The Board of Governors conducts an election for the Board of Directors every two years.

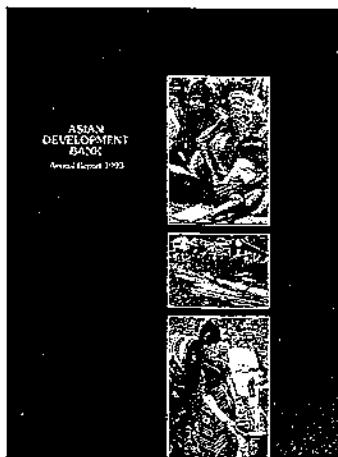
The President of the Bank is elected by the Board of Governors for a term of five years, after which he may be re-elected. The President is Chairman of the Board of Directors and under its direction he conducts the business of the Bank. He is responsible for the organization, appointment and dismissal of officers and staff in accordance with regulations adopted by the Board. In this he is assisted by three Vice-Presidents, who are appointed by the Board of Directors on the recommendation of the President.

The Bank has 21 departments and offices at Headquarters, one Regional Office in Port Vila, Vanuatu, and five Resident Offices, one each in Dhaka, Bangladesh; New Delhi, India; Jakarta, Indonesia; Kathmandu, Nepal; and Islamabad, Pakistan. At the end of 1993, the Bank had 645 professional staff and 1,253 supporting staff.

* The term "country," as used in the context of the Bank, refers to members of the Bank and does not imply any view on the part of the Bank as to their sovereignty or independent status.

ASIAN DEVELOPMENT BANK

Annual Report 1993



COVER: Women members of a credit union in Bangladesh discuss their finances under the Rural Women Employment Creation project (top). Construction of cooling tower at a geothermal power plant in West Java, Indonesia, under the Power XXI project (middle). Women drawing water from a water truck in New Delhi, India (bottom), highlighting the problem of water supply in megacities.

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ASIAN DEVELOPMENT BANK
Manila

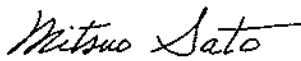
Office of the President

29 March 1994

Dear Mr. Chairman:

In accordance with Article 39 of the Articles of Agreement of the Asian Development Bank and Section 13 of its By-Laws, I submit to the Board of Governors the enclosed Annual Report of the Bank for 1993, including a separate report on the activities of the Special Funds of the Bank, which has been prepared under the direction of the Board of Directors. The Annual Report also includes the financial statements prescribed in Section 15 of the By-Laws.

Sincerely yours,



mitsuo sato
MITSUO SATO
President and
Chairman of the
Board of Directors

Chairman of the
Board of Governors
Asian Development Bank

THE BOARD OF DIRECTORS
(As of 31 December 1993)

**President and Chairman of the
Board of Directors**

Mitsuo Sato

Directors

Muhammad Akbar
Daniel Besson
Anthony F. Burger
Che Peiqin
Adrian Davis
Susumu Fujimoto
Kyung-Woo Kim
P.K. Lahiri
Peter McCawley
Soegito Sastromidjojo
U Soe Thwin
Linda Tsao Yang

Alternate Directors

Vicente R. Jayme
René Legrand
Raimo Anttola
Zhou Yuequn
Hans-Jürgen Stryk
Soichi Yoshimura
Lloyd Fernando
Qazi Shamsul Alam
John S. Evers
Colin Pratt
Syed Muhammad Abdul Kadir
Carl T. Delfeld



Main entrance at the ADB Headquarters.

MEMBER COUNTRIES WITH CAPITAL STOCK AND VOTING POWER

31 December 1993

MEMBERS	SUBSCRIBED CAPITAL	VOTING POWER	MEMBERS	SUBSCRIBED CAPITAL	VOTING POWER			
	Per Cent of Total	Per Cent of Total		Per Cent of Total	Per Cent of Total			
REGIONAL								
Afghanistan	0.071	0.434	Tonga	0.004	0.381			
Australia	6.093	5.252	Tuvalu	0.001	0.379			
Bangladesh	1.075	1.238	Vanuatu	0.007	0.383			
Bhutan	0.007	0.383	Viet Nam, Soc. Rep. of	0.359	0.665			
Cambodia	0.052	0.419	Western Samoa	0.003	0.380			
China, People's Rep. of	6.786	5.806	Total Regional	62.971	64.339			
Cook Islands	0.003	0.380	NON-REGIONAL					
Fiji	0.072	0.435	Austria	0.358	0.664			
Hong Kong	0.574	0.836	Belgium	0.358	0.664			
India	6.667	5.711	Canada	5.508	4.784			
Indonesia	5.735	4.965	Denmark	0.358	0.664			
Japan	16.435	13.525	Finland	0.358	0.664			
Kiribati	0.004	0.381	France	2.451	2.338			
Korea, Rep. of	5.305	4.621	Germany	4.556	4.022			
Lao PDR	0.015	0.389	Italy	1.903	1.900			
Malaysia	2.868	2.671	Netherlands	1.080	1.241			
Maldives	0.004	0.381	Norway	0.358	0.664			
Marshall Islands	0.003	0.380	Spain	0.358	0.664			
Micronesia, Fed. States of	0.004	0.381	Sweden	0.358	0.664			
Mongolia	0.016	0.390	Switzerland	0.615	0.869			
Myanmar	0.574	0.836	Turkey	0.358	0.664			
Nauru	0.004	0.381	United Kingdom	2.151	2.098			
Nepal	0.155	0.501	United States	15.899	13.097			
New Zealand	1.617	1.671	Total Non-Regional	37.029	35.661			
Pakistan	2.294	2.213	TOTALS	100.00	100.00			
Papua New Guinea	0.099	0.456						
Philippines	2.509	2.385						
Singapore	0.358	0.664						
Solomon Islands	0.007	0.383						
Sri Lanka	0.611	0.866						
Taipei, China	1.147	1.295						
Thailand	1.434	1.524						

Note: Figures may not add due to rounding. For tables with fuller details, see pages 128-129.

GLOSSARY

ADF	—	Asian Development Fund, the Bank's soft lending window.
BOO	—	Build-Operate-and-Own, a mechanism by which private investors build, operate and continue to own infrastructure projects.
BOT	—	Build-Operate-and-Transfer, a mechanism by which private investors build and operate infrastructure projects and then transfer them to the government after a period of time.
CFS	—	Complementary Financing Scheme, under which the Bank arranges co-financing with private financial institutions, such as commercial banks, insurance and casualty companies, and pension funds.
DFI	—	Development Finance Institution. The Bank uses such institutions in its DMCs as vehicles to finance small to medium projects in the private sector.
DMC	—	Developing Member Country of the Bank, as opposed to developed country members.
EDRC	—	Economics and Development Resource Center, the Bank's department concerned with economic and developmental research and analysis.
GDP	—	Gross Domestic Product, the total value of a country's goods and services produced during a specified period, excluding external accounts.
GNP	—	Gross National Product, the total value of a country's goods and services produced during a specific period and combining domestic and external accounts.
HRD	—	Human Resource Development, including population planning, identified as one of the Bank's medium-term strategic objectives.
JSF	—	Japan Special Fund, established in March 1988 and administered by the Bank to help DMCs restructure their economies and broaden the scope for new investments by recycling funds, and to support DMCs' efforts towards industrialization, natural and human resource development and technology transfer.
LCF	—	Local Currency Financing, which the Bank may provide to meet local expenditures on projects.
LFI	—	Local Financial Institution operating within a country.
NIE	—	Newly Industrializing Economy. Among the Bank's DMCs, the term refers to Hong Kong, Republic of Korea, Singapore and Taipei, China.
NGO	—	Non-Governmental Organization. NGOs work as special interest groups at the grassroots level.
OCR	—	Ordinary Capital Resources, the interest-bearing window for the Bank's ordinary lending operations.
PCR	—	Project Completion Report, which certifies the completion of a Bank project.
PIDMC	—	Pacific Island Developing Member Country. Refers to the Bank's 11 DMCs in the Pacific Ocean region.
PPAR	—	Project Performance Audit Report.
SPRO	—	South Pacific Regional Office of the Bank based in Vanuatu and looking after eight DMCs in the South Pacific region.
TA	—	Technical Assistance, provided by the Bank as both grants and loans, to help DMCs identify, design, implement and operate development projects as well as to assist them in formulating strategies, policies, programs and plans.
TASF	—	Technical Assistance Special Fund, the principal vehicle of technical assistance grants from the Bank's own resources.
WID	—	Women in Development, a cross-cutting concern aiming at enhancing the economic status of women through development projects and identified as one of the major strategic objectives of the Bank.

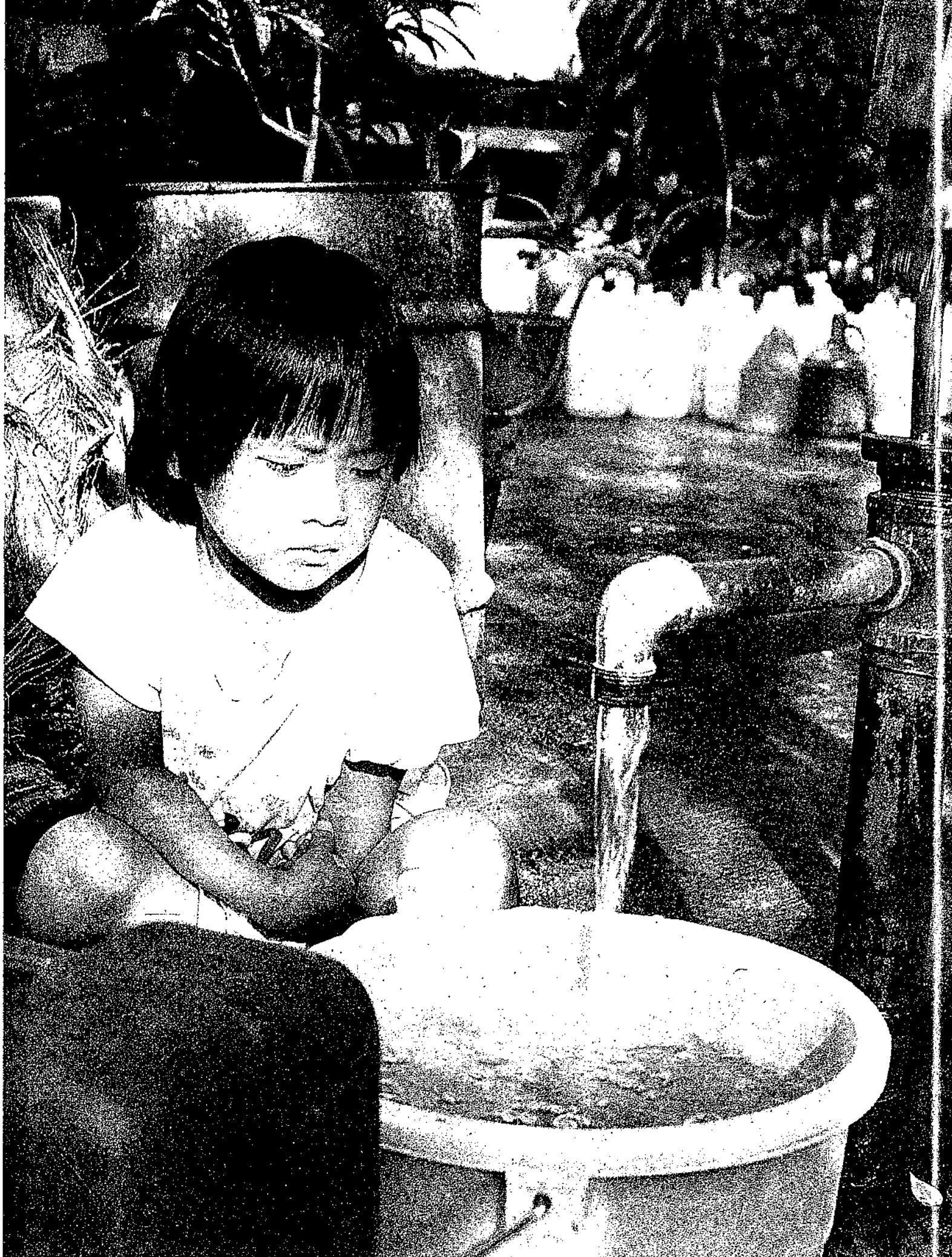
NOTE ON DOLLAR AMOUNTS

The Bank's financial statements are expressed in current United States dollars. The dollar amounts in the Report refer, unless otherwise stated, to United States dollars current at the time.

From 1 April 1978, when the Second Amendment to the Articles of Agreement of the International Monetary Fund (IMF) came into effect, the capital stock has been valued for purposes of the Bank's financial statements in terms of the Special Drawing Right (SDR), at the value in current United States dollars as computed by the IMF. For a more detailed discussion, see OCR-7, Notes to Financial Statements of Ordinary Capital Resources.

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OVERVIEW

THE BANK IN 1993

THE BANK approved a total of \$5,304 million in new loans and investments during 1993. This was 3.5% more than in the previous year. Of the total, **government and government-guaranteed loans** amounted to \$5,040 million and **private sector loans** without government guarantee \$241 million. Thus, total lending amounted to \$5,281 million. In addition, there were **equity investments** in the private sector amounting to \$23 million.

Cumulative lending up to end-1993 came to \$47,710 million (\$47,003 million in the public sector and \$707 million in the private). Cumulative equity investments and underwritings stood at \$238 million.

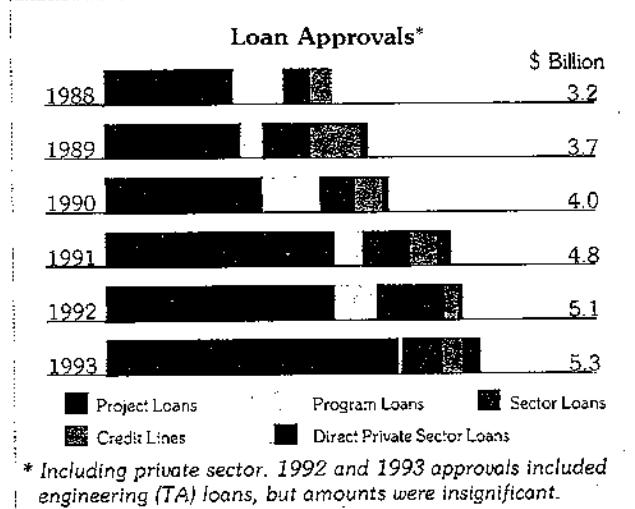
The year's \$5,281 million total lending involved 78 projects against 65 in 1992. Loans from **ordinary capital resources** (OCR) accounted for \$3,984 million (up 0.7%), while those from the concessional **Asian Development Fund** (ADF) amounted to \$1,297 million (up 12.3%).

By lending modality, **project loans** amounted to \$4,122 million, a 29% increase over 1992. **Sector loans** amounted to \$585 million, down 46% from the previous year. **Program loans**, at \$51 million showed a 91% decrease from a year ago. **Credit lines** amounted to \$258 million, up 31%. **Detailed engineering (technical assistance) loans** accounted for \$25 million, up 285%.

1993 LOANS BY SECTOR

	\$ million	% change from 1992
Energy	1,775	+28
Transport and Communications	1,555	+27
Social Infrastructure	781	+13
Agriculture and Agro-Industry	361	-47
Industry and Non-Fuel Minerals	333	+150
Finance	310	-54
Multisector	167	-46

A CHILD in Manila, Philippines, waits for her turn to collect drinking water from a tubewell. The provision of safe drinking water in slum communities was discussed at a conference on "Managing Water Resources to Meet Megacity Needs", financed by a technical assistance grant.

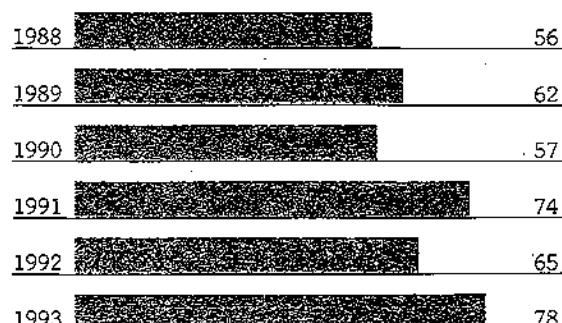


Private sector loans without government guarantee accounted for the rest.

The three-year moving average share (1991-1993) of program lending was 7%.

Of the \$5,040 million public sector loans, OCR accounted for 74% and ADF 26%. The average size of loans to the public

Number of Projects and Programs*



* Including private sector.

sector was \$76 million, slightly lower than \$77 million in 1992. Indonesia, with \$1,293 million, was the top borrower, followed by the People's Republic of China with \$1,050 million. India received the year's biggest single loan (\$300 million) for the Gas Flaring Reduction Project.

During the year, \$122 million was approved as **technical assistance grants**, funded from the Bank's own and other sources.

A total of \$3,494 million was mobilized during the year through **co-financing** for 24 projects. Of the total, \$1,437 million came from official sources (other than officially supported export credits). Export credits contributed \$1,616 million and commercial sources \$441 million.

The **net transfer of resources** to the DMCs (disbursements minus capital repayments, payments of interest and other charges, plus equity investments) decreased by 20.5% to \$938 million.

Loan disbursements increased 6% to \$2,941 million. OCR disbursements were \$2,016 million and ADF disbursements \$925 million.

Seventy-five projects were completed during the year. The total number of completed projects came to 815 out of 1,181 projects approved as of end-1993.

Post-evaluation was made of 24 projects (including two private sector projects without government guarantee) and four program loans in 13 DMCs.

On 31 December 1993, the Bank's **authorized capital** was \$23,200 million, of which \$23,076 million was subscribed.

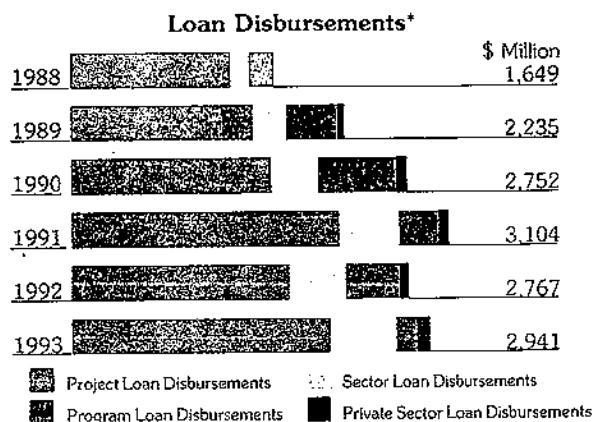
Six **borrowings** were undertaken during the year for a total of \$1,720 million. These included, for the first time, a Dragon yen bond issue and a Euro-Canadian dollar public bond issue. The average life of the year's borrowings was 10.5 years, compared to 9.7 years in 1992. The "after swap" weighted average cost of the funds raised declined further to 5.16% per annum from 5.86% per annum a year ago.

At the end of the year, the Bank's **OCR investments** amounted to the equivalent of \$5,641 million, against \$5,234 million equivalent a year ago. The realized rate of return on these investments was 7%, compared with 7.8% in 1992.

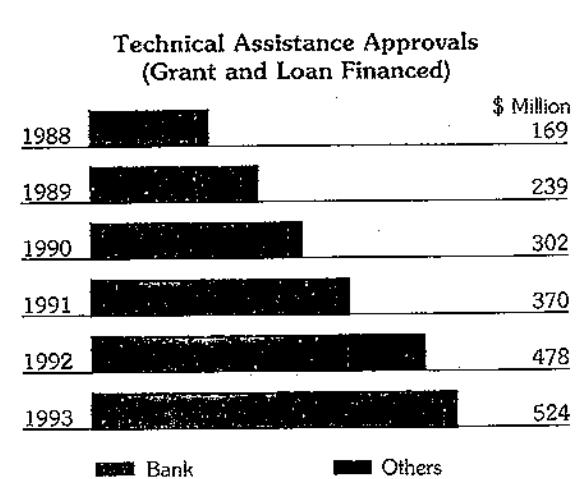
The **ADF investment portfolio** amounted to \$725 million, compared with \$937 million at the end of 1992. Of the portfolio, 60% was held in securities issued or guaranteed by governments of member countries. The rest was invested in bank instruments in member countries. The return on ADF investments was 5.48%, against 7.6% in 1992.

Net income for the year amounted to \$570 million, an increase of about 7% from the previous year.

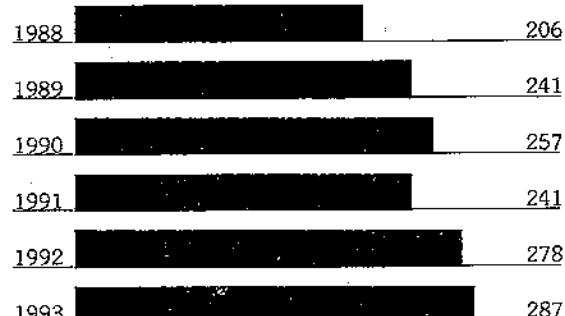
A new member, Tuvalu, joined the Bank in 1993, raising the Bank's **membership** to 53.



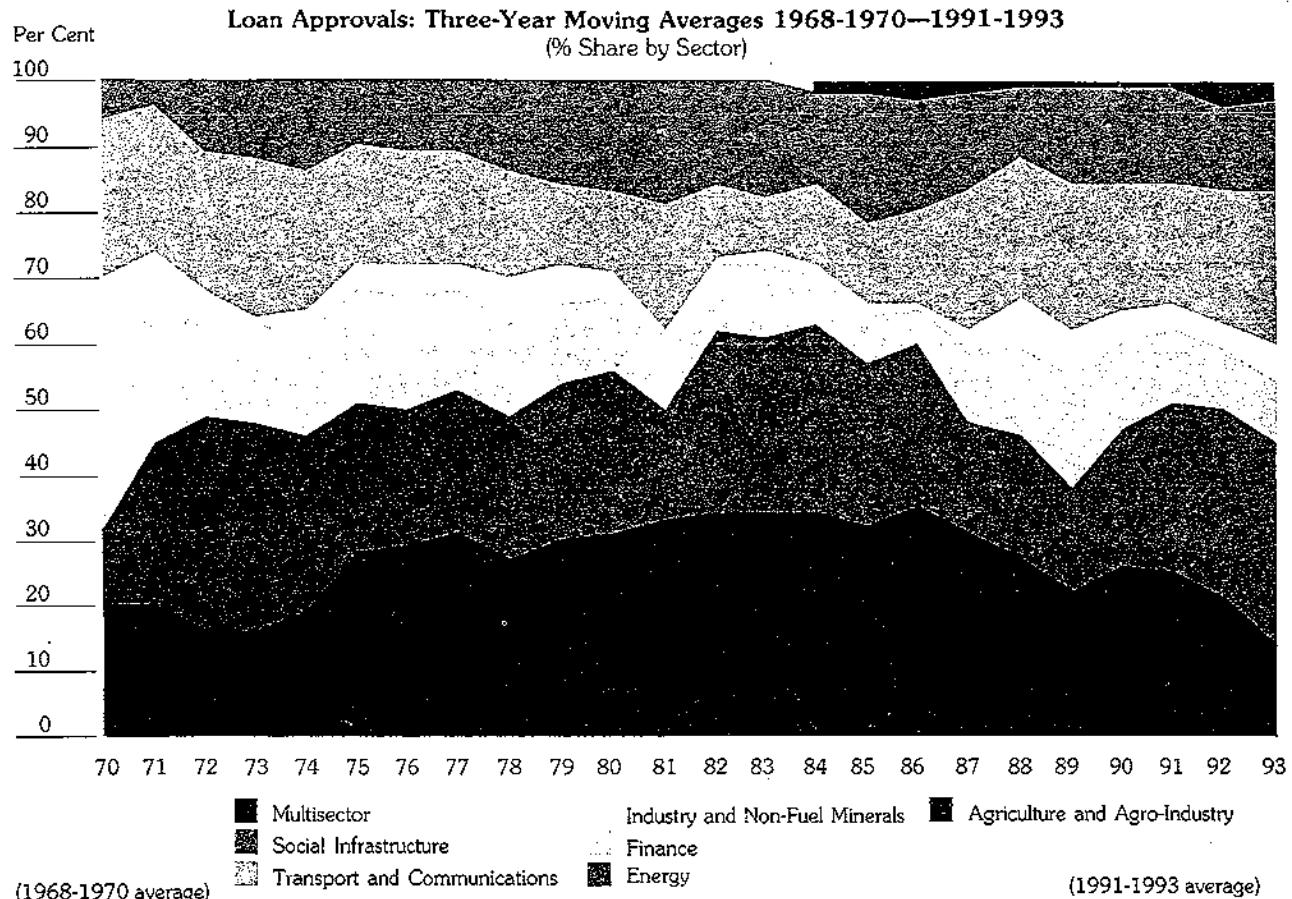
* Including private sector.



**Number of Technical Assistance Projects
(Grant and Loan Financed)***



* Includes regional activities.



Note: Multisector lending began in 1979. For the first five years, the volumes were insignificant.

SOME MAIN DEVELOPMENTS IN 1993

* The Bank, in October, resumed lending to Viet Nam after an interregnum of nearly two decades.

* The Board of Governors voted to admit three Central Asian Republics—Kazakhstan, the Kyrgyz Republic and Uzbekistan—as regional members of the Bank. Their membership will become effective upon payment of capital subscriptions and completion of other formalities.¹

* The variable lending rate on US dollar loans was set at 6.64% per annum on 1 July, against 6.63% set on 1 January. The rate for multicurrency loans was lowered to 6.34% per annum on 1 July from 6.47% on 1 January.²

* Cooperative arrangements were approved between the Bank and the Government of Australia on channel financing relating to technical assistance projects.

* A memorandum of understanding was signed

between the Bank and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) to strengthen cooperation in the Asian and Pacific region in areas of common interest.

* The Bank and the Republic of Korea established a general framework for co-financing projects in the Asian and Pacific region.

* India and Pakistan made further contributions to the Bank's Technical Assistance Special Fund.

* The Twenty-Sixth Annual Meeting of the Board of Governors was held in Manila from 4 to 6 May.

* Mitsuo Sato took over as President of the Bank in November, succeeding Kimimasa Tarumizu.

* Bong-Suh Lee was appointed Vice-President (Projects), succeeding Vice-President In Yong Chung.

¹ Kazakhstan became a member of the Bank in January 1994.

² On 1 January 1994, the rate for US dollar loans was increased to 6.67% per annum and that for multicurrency loans was lowered to 6.26% per annum.

THE RECORD

(amounts in \$ million)

	1966-1993 ^a	1990	1991	1992	1993
OPERATIONAL ACTIVITIES					
TOTAL LENDING (Amount)	47,710.2 ^b	3,972.2	4,750.7 ^b	5,109.4	5,281.3
Number of Projects ^c	1,179 ^b	57	74 ^b	65	78
OCR Loans (Amount)	32,848.4 ^b	2,491.7	3,403.5 ^b	3,954.4	3,983.8
Number of Loans	678 ^b	27	42 ^b	35	38
Disbursements	16,739.9	1,689.1	2,066.2	1,879.6	2,016.2
ADF Loans (Amount)	14,861.8	1,480.5	1,347.2	1,155.0	1,297.5
Number of Loans	609	36	33	32	40
Disbursements	8,415.8	1,062.6	1,037.4	887.5	925.1
A. Government & Government-Guaranteed Loans (Amount)	47,002.8	3,893.3	4,593.9	5,059.4	5,040.2
Number of Projects ^c	1,127	50	62	64	66
OCR Loans (Amount)	32,155.5	2,418.8	3,246.7	3,904.4	3,742.7
Number of Loans	631	22	30	34	26
Disbursements	16,383.5	1,607.3	1,993.9	1,819.9	1,917.2
ADF Loans (Amount)	14,847.3	1,474.5	1,347.2	1,155.0	1,297.5
Number of Loans	604	34	33	32	40
Disbursements	8,400.7	1,062.1	1,032.0	881.3	924.3
B. Private Sector Loans (Amount)	707.4	78.8	156.8 ^b	50.0	241.1
Number of Projects ^c	52	7	12 ^b	1	12
OCR Loans (Amount)	692.9	72.8	156.8 ^b	50.0	241.1
Number of Loans	47	5	12 ^b	1	12
Disbursements	356.3	81.8	72.3	59.7	99.0
ADF Loans (Amount)	14.5	6.0	-	-	-
Number of Loans	5	2	-	-	-
Disbursements	15.1	0.5	5.5	6.3	0.8
EQUITY INVESTMENTS (Amount)	192.7	31.6 ^b	20.5 ^b	10.6	22.7
Number of Investments	69	15 ^b	6 ^b	4	9
EQUITY UNDERWRITING (Amount)	45.7	4.3	-	5.2	-
Number of Commitments	7	1	-	1	-
TECHNICAL ASSISTANCE ^d (Amount)	3,668.9	293.1	369.4	477.7	524.0
Number of Projects	3,155	255	241	278	287
CO-FINANCING ^e (Amount)	17,363.5	1,266.6	1,432.0	3,024.2	3,493.6
Number of Projects	387	26	21	21	24

	(amounts in \$ million)				
RESOURCES					
Ordinary Capital Resources					
Authorized Capital (at end of period)	23,200	23,938	24,160	23,224	23,200
Subscribed Capital (at end of period)	23,076	22,884	23,100	23,100	23,076
Borrowings (gross)	16,094	849	1,298	3,050	1,720
Outstanding Debt (at end of period)	12,245	8,215	9,434	10,961	12,245
Ordinary Reserve (at end of period)	4,180.4	2,713.1	3,219.1	3,705.5	4,180.4
Special Reserve (at end of period)	177.3	176.6	176.8	177.0	177.3
Gross Income	12,945.9	1,103.4	1,213.3	1,345.2	1,510.0
Net Income after Appropriation of Commissions/Guarantee Fees to Special Reserve	4,927.7	508.5	517.8	534.3	569.4
Special Funds Resources					
Asian Development Fund:					
Total Resources (at end of period)	15,948.5	13,354.5	13,878.4	15,263.5	15,948.5
Technical Assistance Special Fund:					
Total Resources (at end of period) ^f	427.5	202.2	204.3	351.7	427.5
Japan Special Fund:					
Contributions (at end of period)	376.7	155.8	199.8	270.4	376.7

a Cumulative totals may not add due to rounding.

b Amounts and numbers adjusted to exclude withdrawals.

c Projects financed from both OCR and ADF are counted only once. Cumulative number of projects excludes supplementary loans.

d Comprising technical assistance grants and loans funded by the Bank and other sources. Regional technical assistance projects included.

e Adjusted to reflect changes in co-financing arrangements.

f Figures revised to include other resources and transfers to ADF.

HIGHLIGHTS, 1966-1993

Sources of Funds

- * Authorized capital of the equivalent of \$23.2 billion as of 31 December 1993.
- * About \$16.1 billion borrowed from international capital markets for ordinary capital lending.
- * About \$15.9 billion from the Asian Development Fund for concessional lending to poorer DMCs, and about \$427.5 million in Technical Assistance Special Fund resources for financing technical assistance grants.

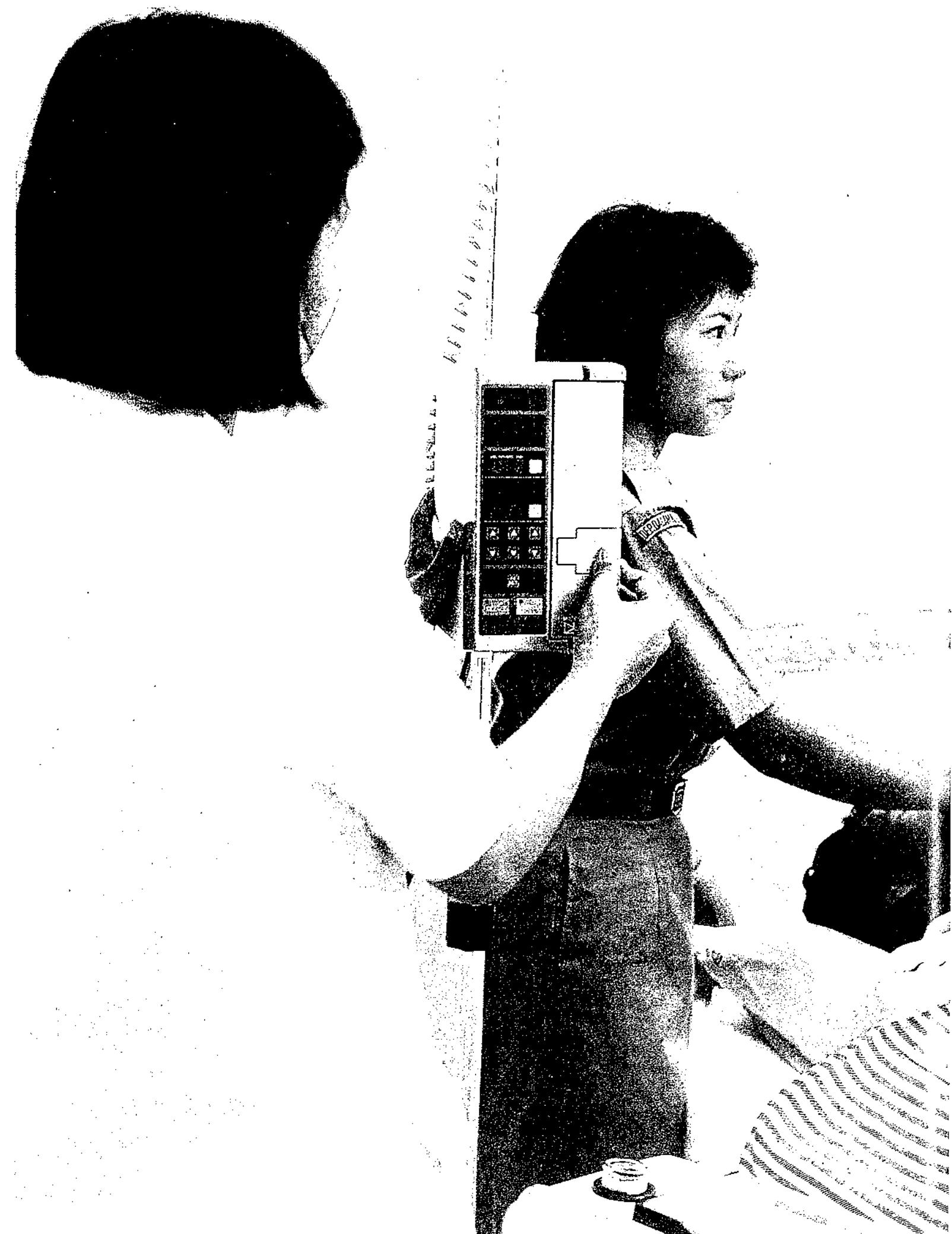
Uses of Funds

- * \$47.9 billion in total public and private sector operations involving 1,255 projects, including \$47.7 billion in loans and \$192.7 million in equity investments and \$45.7 million in equity underwritings.
- * \$3.7 billion in technical assistance: \$490 million for project preparation (resulting in 550 Bank loans totalling \$22.4 billion); \$3.1 billion for project implementation and advisory purposes and \$135 million for regional activities.
- * \$17.36 billion in co-financing, of which official sources contributed \$11.04 billion and commercial sources (including commercial banks, insurance companies and export credit sources), \$6.32 billion.

Sectoral Activities

- * Agriculture and Agro-Industry: 173 irrigation and rural development projects; 89 fisheries, livestock and forestry projects; 118 projects for industrial crops, agro-industry and support services; and eight fertilizer projects.
- * Energy: 204 projects, including 169 power projects for the creation of 22,000 MW of generation capacity, of which nearly 85 per cent will be based on indigenous resources, and for about 110,000 km of transmission-distribution circuits. Non-power energy projects provided for expanded production of natural gas and coal, rehabilitation of refineries and distribution networks for gas.
- * Finance Sector: 120 credit lines totalling \$4.2 billion to 64 financial intermediaries in 23 DMCs, which have been used so far to create 22,000 subloans to small and medium-scale enterprises, as well as eight program loans amounting to \$1 billion.
- * Transport and Communications: 48 projects^a in the ports and shipping sector for the construction, rehabilitation, modernization and expansion of port facilities; 98 projects for the rehabilitation, maintenance and construction of primary, secondary and feeder roads; nine railway projects primarily to increase freight capacity; 10 airport projects for the expansion and upgrading of airport facilities; and 19 telecommunications projects to improve and extend services.
- * Social Infrastructure: 82 water supply and sanitation projects benefiting more than 100 million people; 71 education projects involving the establishment, as well as rehabilitation and expansion, of primary, secondary and tertiary level education and training institutions; 31 projects providing physical and institutional support for housing and/or a variety of urban infrastructure facilities; and 26 health and population projects, providing physical and institutional support.

^a Figure adjusted to avoid double counting.



THE BOARD OF DIRECTORS

THE ACHIEVEMENT of a measure of consensus on the size and timing of the Fourth General Capital Increase (GCI IV) was the highlight of the Board of Directors' activities during the year. A working paper setting out the initial Management proposals for GCI IV was discussed by the Board on 23 November. The Directors emphasized the Bank's important role in the socioeconomic development of its developing member countries (DMCs) and agreed that the proposal to increase the capital resources of the Bank should be proceeded with expeditiously. The discussion also touched on the Bank's operational agenda for the 1990s that should accompany the program for extending capital assistance to DMCs.

Based on the Board discussion and further consultations with Board members, the financial proposals relating to GCI IV were circulated to the Board on 22 December, along with an outline of the Bank's future direction and operational agenda.

Financial Policies

In connection with its ongoing discussions on GCI IV during the year, the Board reviewed the major financial policies of the Bank and decided as follows:

(i) The Bank should consider a greater diversification of its portfolio and strengthen its country risk management systems;

(ii) Delinquent private sector loans might be rescheduled provided all alternatives to rescheduling had been analyzed and determined to be less attractive;

(iii) New commitments and disbursements would not be made when interest and principal payments had become overdue;

(iv) All loans would be placed on a non-accrual status when interest on such loans were overdue by six months;

(v) Loan loss provisions would be made if repayments were in arrears for one year in the case of public sector loans and six months in the case of private sector loans;

(vi) The general policy of holding 40% of undisbursed loan balances in liquid assets would be maintained. However, this would be supplemented by a cash-flow approach to ensure that the liquidity was neither excessive nor insufficient

in terms of cash requirements in the next three years; and

(vii) The interest coverage ratio would be maintained at no less than 1.25 and the reserve:loan ratio at no less than 25%.

The Bank's 1993 borrowing program of \$2,900 million, originally authorized by the Board, was reduced during the year in view of the downward revision in the projected OCR loan commitments and disbursements. In the end, six borrowings were undertaken during the year for a total amount of \$1,720 million, including a Dragon yen bond issue and a Euro-Canadian dollar public bond issue. Both were "firsts" for the Bank.

At the end of the year, the Bank's OCR and ADF investments amounted to the equivalent of \$5,641 million and \$725 million, respectively. The respective rates of return on the two categories of investments were 7% and 5.5%. The Board noted further efforts made by Management to improve the efficiency of the Bank's investment operations, including better risk management and performance monitoring.

Strategic Framework and Country Strategies

The Board's formal and informal meetings during the year (see accompanying box) also covered several other policy papers, including the Bank's Medium-Term Strategic Framework (1993-1996), Country Operational Strategy Studies for eight DMCs and the Bank's Human Resources Development and Management Operational Strategy.

The Board supported the Medium-Term Strategic Framework and said it represented a logical – and critical – step towards establishing a strategic planning process in the Bank. Endorsing the country approach embodied in the Framework, the Board said that effectiveness achieved through the planning process and the transparency and accountability associated with it would provide a more definitive basis for continued support to the Bank.

The Board appreciated the Framework's (i) emphasis on sectoral strategies based on the unique needs of each DMC; (ii) distinction between "blueprint" and "process-oriented" projects resulting from the Bank's social and environmental

The Boards and their Functions

THE BANK is governed by a **Board of Governors**, which, at the end of 1993, consisted of 53 members representing 37 regional and 16 nonregional member countries. Under Article 28 of the Bank's Charter, the Board of Governors is vested with all the powers of the Bank. In turn, the Governors delegate their authority to the Board of Directors, except for certain powers reserved to them under the Charter.

The Board of Governors meets in formal session once a year for the Bank's Annual Meeting.

The resolutions approved by the Board of Governors during 1993 and its membership are shown in Appendixes 2 and 3, respectively.

Under the same Article, the Board of Governors elects a 12-member **Board of Directors**, eight elected by regional members and four by nonregional members. Each Director appoints an Alternate. The President of the Bank is the Chairman of the Board of Directors.

The Board of Directors performs its duties on a full-time basis at the Bank's Headquarters in Manila, Philippines and meets in regular formal sessions under the chairmanship of the President. The Directors exercise their authority and functions through their quarterly and annual supervision of the Bank's financial statements; their annual approval of the Bank's administrative budget and their continuous review and approval of policy documents and all loans, equity and technical assistance operations.

The Board of Directors and the members they represent are shown in Appendix 4.

concerns; and (iii) stress on incorporating lessons of past Bank operations in the design of new projects. However, views differed on the use of country performance reviews in influencing the composition and volume of new assistance and the medium-term goal of achieving a 50/50 mix between traditional growth projects and those emphasizing social and environmental concerns.

Country Operational Strategy Studies were discussed for Bangladesh, Marshall Islands, Federated States of Micronesia, Nepal, Papua New Guinea, Philippines, Sri Lanka and Thailand. Brief accounts of the discussions are reflected in the "Country Highlights" chapter.

The Board generally supported the paper on the Bank's Human Resources Development and Management Operational Strategy, although some reservations were expressed. The strategy is aimed at building up a multi-disciplinary staff while maintaining the total staff size and keeping budget costs down. The Directors agreed that a fair, transparent, performance-oriented Personnel Evaluation Review System was essential to support the promotion system and improve project quality. It was recognized that the skill-mix of the Bank needed to be reviewed and requirements would have to be determined by the line departments in consultation with the Budget, Personnel and Management Systems Department. The Directors observed that adjustments to the current skill-mix should be done carefully and be implemented with understanding and sensitivity to the feelings of staff.

Operations

The Board held 47 formal meetings during the year and approved a total lending of \$5,281 million (\$3,984 million

from OCR and \$1,297 million from ADF) and investments of \$23 million. The operations comprised 66 government-guaranteed and 12 private sector loan projects and nine private sector equity investments. In addition to loans, the Board, either directly or through the authority delegated to the President, also approved 269 technical assistance grants totalling \$122 million.

In October, the Board approved the resumption of Bank lending to Viet Nam after a break of almost two decades, providing a \$76.5 million concessional loan for an irrigation and flood protection rehabilitation project.

During discussions of loan proposals, some Board members mentioned the importance of the sustainability of projects and wanted greater attention to be paid to issues like cost recovery and recurrent costs, and to implementation problems. Board members also acknowledged the importance of social safety nets to avoid adverse impacts on the poor. Sectoral policies and crosscutting issues were frequently discussed and the need for greater use of local expertise and transfer of technology was stressed. Some members also emphasized the need to evaluate country performances, the cost-effectiveness of lending and project quality.

Board Committees

The **Audit Committee** of the Board met on 16 occasions. It assessed the activities of the Internal Audit Office and, with the external auditors, reviewed the 1992 Financial Statements. The Committee worked closely with the Post-Evaluation Office in reviewing 13 Project Performance Appraisal Reports, two Technical Assistance Performance Audit Reports and three Re-Evaluation Studies in respect of the Bank's lending and technical assistance

operations.

The Committee observed that the process of the Bank's increasing involvement in the fields of social, women and poverty-related issues should be better cross-linked with the post-evaluation process. Many of the projects, one way or another, were associated with water management. According to the Committee, water supply and irrigation projects should be designed as part of a total water resource management master plan. Otherwise, the use of water resources would continue to be profligate. The Committee hoped the Bank would take measures to convince DMCs to look at all alternate uses of water. While discussing agriculture, command area development and integrated area development projects, the Committee emphasized that social impacts of project proposals needed to be studied carefully. It felt there should be close monitoring of agriculture projects having multiple components. Rural electrification, education and forestry development projects also attracted the Committee's attention. It called for alternative strategies to be developed for creating a climate of sustainable development in the Bank's DMCs in the Pacific region.

One theme running through the Committee's discussions was the need for beneficiary participation. The Committee felt it was important to reflect the preferences of beneficiaries in designing and implementing projects. With regard to private sector investment, the Committee wanted the Bank to take into account the overall commercial aspects of such investment although it needed to be borne in mind that profitability should not be the sole objective.

In July, the Audit Committee submitted to the Board its annual report for 1992.

The **Budget Review Committee** met over a two-week period in November. Reviewing the Bank's operations

supported by the 1993 Administrative Budget, the Committee noted the shortfall in the 1993 lending commitments, particularly in agriculture, private sector operations, and industry and non-fuel minerals. It hoped that the lending program proposed for 1994 would be achieved without sacrificing project quality.

The Committee recommended that the Board approve the Administrative Budget for 1994, authorizing an expenditure of \$168.2 million. This was an increase of 8% over the revised estimate for 1993. The Committee reviewed the 1994 operational program, with particular attention to the number of additional staff positions sought. It appreciated that 10 of the 15 new staff positions required would be filled through redeployment and encouraged efforts to increase the representation of women professional staff.

The Committee looked forward to recommendations of the Task Force on Improving Project Quality, particularly with regard to project implementation, disbursement and post-evaluation. It stressed the role of co-financing in resource mobilization for future programming. It called on the Bank to play a proactive role in co-financing activities in 1994, especially to mobilize greater volumes of private resources.

The membership of the Budget Review and Audit Committees is shown in Appendix 5.

Directors' Visits

Two groups of Board members visited four of the Bank's DMCs in 1993. The first visit was to Lao PDR and Thailand from 22 February to 6 March and the second to Malaysia and Indonesia from 1 to 18 September. The purpose of group

Policy Papers Discussed by the Board During 1993

- * Streamlining Board Documents on Project Loan and Technical Assistance
- * Review of the Bank's Major Financial Policies
- * Co-Financing Arrangements Between the Ministry of Finance of the Republic of Korea and the ADB
- * Distribution of Summary Environmental Assessment Reports under the Bank's Depository Library Program
- * Cooperation with Australia - Australian Technical Assistance Grant
- * Housing Loan Program for Supporting Staff - A Change in Funding Policy
- * Proposals for the Fourth General Capital Increase
- * The Bank's Medium-Term Strategic Framework (1993-1996)
- * The Bunching Problem: Analysis and Suggestions
- * The Bank's Human Resources Development and Management (HRDM)
- * Operational Strategy: A Framework and Action Plan for the Medium Term (1993-1996)
- * Three-Year Rolling Work Program and Budget Framework (1994-1996)
- * Country Operational Strategy Studies (COSS) for Bangladesh, Marshall Islands, Federated States of Micronesia, Nepal, Papua New Guinea, Philippines, Sri Lanka and Thailand

Post-Evaluation Reports Discussed by the Board in 1993

Project Performance Audit Reports

Forestry Development Project (Western Samoa)	3 Feb.
Agricultural Support Facilities Project (Lao PDR)	3 Feb.
Health and Population Project (Malaysia)	14 Apr.
Padma Textile Mills Project (Bangladesh)	14 Apr.
Bicol River Basin Irrigation Development Project (Philippines)	21 Apr.
Power System Rehabilitation and Expansion Project (Bangladesh)	25 Aug.
Mindanao Secondary and Feeder Roads Project (Philippines)	24 Sep.
Palawan Integrated Area Development Project (Philippines)	24 Sep.
Geological and Mineral Survey Project (Indonesia)	6 Oct.
Small Towns Water Supply Sector Project (Indonesia)	28 Oct.
Vocational Education Project (Indonesia)	28 Oct.
Command Area Development Project (Nepal)	24 Nov.
Rural Electrification Sector Project (Pakistan)	24 Nov.

Re-Evaluation Studies

Re-evaluation of Lodoyo Irrigation Project (Indonesia)	13 Jan.
Re-evaluation of Engineering Education Project (Philippines)	21 Apr.
Re-evaluation of Vocational Education Project (Nepal)	25 Aug.

Technical Assistance Performance Audit Reports

Chashma Right Bank Irrigation Project (Stage III) (Pakistan)	17 Mar.
TA Program Loan (Inland Waterways Subproject) (Indonesia)	6 Oct.

visits is to enable Board members to gain a greater understanding of the development experience and needs of DMCs and to become better acquainted with the Bank's activities. During the visits, Board members had discussions on policy issues with ministers and senior officials and visited the sites of a number of ADB-funded projects.

New President

On 24 November, Mr. Mitsuo Sato assumed office as President of the Bank, succeeding Mr. Kimimasa Tarumizu. On 25 November, the Board of Directors adopted the

following resolution in appreciation of the services of Mr. Tarumizu:

*"The Board of Directors
RESOLVES*

To express to Mr. Kimimasa Tarumizu at the conclusion of his service as President of the Bank and Chairman of the Board of Directors, its deep appreciation of his able leadership, of his humane dedication, of his achievements in fostering sustainable development in the Asia-Pacific region and enhancing the Bank's mission as the 'Bank for half the world,' and

To sincerely wish him and Mrs. Tarumizu good health and happiness in the future."

BUILDING FOR DEVELOPMENT: INFRASTRUCTURE IN THE ASIA-PACIFIC REGION

The Context

OVER THE last decade, the economic performance of the Asian and Pacific region exceeded that of any other region of the world. Regional GDP grew by an annual average of 7.9% between 1981 and 1990, although there were considerable differences between the growth rates of individual countries. Since then, regional GDP has grown between 6% and 7% annually, again with considerable variations between individual countries. This strong economic growth is expected to continue in most countries in the region over the medium term, continuing to generate enormous demand for infrastructure. Regional investment in infrastructure is currently estimated to be about 5% of GDP each year.

Infrastructure development is essential for economic growth. It not only makes economic growth efficient but also promotes balanced regional development, enhances productivity in public and private sectors, and encourages private sector investment.

Although infrastructure covers a wide range of sectors – power, water supply, transport and communications – certain common characteristics can be identified which apply to each of these.¹ Typically, infrastructure investment displays both considerable lumpiness and economies of scale, which together often lead towards monopolistic or oligopolistic supply situations. In addition, infrastructure often has significant externalities, positive or negative. Two further characteristics long associated with infrastructure are the dominant role of the public sector and difficulty in recovering costs.

The importance of infrastructure in the process of economic development is widely recognized, although not easily quantified. Infrastructure development is a necessary condition for economic growth but not a sufficient one. This was demonstrated during the early years of development planning, when extensive government investment in infrastructure was not accompanied by adequate investment in

productive activities. Infrastructure, through its extensive linkages, provides the environment for productive activities to take place and generate economic growth. In the absence of adequate power, water, transport and communications facilities, for example, production processes or locational advantages may not be optimized. By efficiently moving goods and services to where they can be used most effectively, transport adds value and spurs growth. The provision of power permits the use of modern technologies and processes. Water is a basic necessity for all human activities. It is, therefore, no coincidence that the newly industrializing economies of the region have a common record of extensive infrastructure development.

Efficient infrastructure development is also necessary if the benefits of economic growth are to be spread throughout a country. Infrastructure helps integrate the national economy. It encourages investment in less developed areas, allows wider movement of goods and people, facilitates information flows and helps commercialize and diversify the economy.

The Challenges: Imbalance in Demand and Supply

If the countries of the Asian and Pacific region are to maintain the momentum of economic development, they must address several challenges relating to infrastructure. The main challenges are posed by the present imbalance between the demand for and supply of infrastructure, and continued rapid growth in demand expected in future. Besides, infrastructure investments should be sustainable, and infrastructure facilities for basic human needs should be available to all.

In many countries and sectors, demand for infrastructure has grown faster than GDP over the last decade. This has often created obstacles to economic growth. Inability to transport goods and people in an efficient manner or to provide sufficient power to operate businesses not only leads to microeconomic bottlenecks but can also affect macroeconomic indicators, such as inflation and balance of payments. In addition, when the supply of certain types of infrastructure – such as rural infrastructure, urban water supply or power – lags behind demand, there can be adverse

¹ For the purposes of this chapter, infrastructure is defined to include power, transport, communications, water supply and sanitation. Social infrastructure, including health, education and urban development (such as housing), is not addressed in this chapter. Other types of facilities, such as irrigation systems, are also excluded.

Development of Shanghai Pudong

SHANGHAI, located near the mouth of the Yangtze River, is the largest center of industry, commerce and trade in the People's Republic of China. The Huang Pu River divides Shanghai into the densely populated Puxi (West Bank) and the less developed Pudong (East Bank). During the 1980s, Shanghai's economic growth lagged behind that of other provinces, which was a concern to both the national and local governments. Consequently, economic policies for Shanghai and infrastructure bottlenecks affecting its growth came under review. A Master Plan was prepared to guide Shanghai's development into the next century and to address its chronic problems of high population density, pollution, congestion and overloaded infrastructure.

In response to a Government request, the Bank provided technical assistance to prepare a medium-term infrastructure investment program for Shanghai. One of the major constraints that was identified was the lack of transport capacity across the Huang Pu River, which was causing delays and congestion, and restricting the development of Pudong. Consequently, the Bank provided loans for two bridges across the Huang Pu River: a \$70 million loan for the Nanpu Bridge in 1991 and an

\$85 million loan for the Yangpu Bridge. Commercial co-financing was also arranged for both bridges. The cable-stayed Nanpu Bridge was designed and built by Chinese engineers with technical support from international consultants. The Yangpu Bridge, built under the supervision of Shanghai Municipal Engineering Design Institute, features a central span of 602 meters, making it the longest cable-stayed bridge in the world.

The opening of these bridges, in November 1991 and October 1993, respectively, significantly reduced congestion and helped transform Pudong into an international manufacturing, trading and commercial center. The Nanpu Bridge is presently crossed by about 17,000 vehicles each day, while Yangpu Bridge carries around 20,000 vehicles daily.

Tolls for use of the bridges are to be consistent with full cost recovery. The Municipality of Shanghai has agreed to adjust tolls on a regular basis. As part of this strategy, tolls on the two bridges were raised in December 1993 to increase the average revenue per vehicle by 30%. Subsequently, tolls will be adjusted as required every five years, taking account of users' ability and willingness to pay.

impacts on social development because disadvantaged groups are often among the last to be given access to supply. Environmental pressures can also result from a supply-demand imbalance. If rural people do not have access to power, they are likely to burn wood as fuel. If natural watercourses are used for water supply and sanitation, they deteriorate.

An example of how a supply-demand imbalance can produce adverse economic effects is provided by the transport sector in PRC. The demand for medium and long-distance freight transport of goods, particularly coal and other minerals, has grown to such an extent that PRC's existing transport system is unable to cope with it. As a result, the supply of goods is affected and end-users suffer. So do exports and foreign exchange earnings. For commodities that are used domestically, supply shortfalls lead to higher prices which in turn aggravate inflationary pressures.

Not only must physical infrastructure be adequate, but institutional capacity must also exist and appropriate policies must be in place. For example, in some of the Bank's DMCs, airport facilities like runways, aprons and terminal buildings may be sufficient, but trained crew and ground handling staff may be in short supply and air traffic control procedures may not meet international standards.

Demand-supply imbalances can also result from

inappropriate pricing policies. Underpricing of services can inflate demand and poorly targeted subsidies can distort competing infrastructure services. Appropriate pricing rationalizes demand, encourages efficiency in the use of infrastructure and provides a sound basis for planning future investments.

However, imbalance between demand and supply is not an absolute barrier to development. As the accompanying table shows, the demand for infrastructure in almost all DMCs has been growing faster than the economy. But these imbalances have not prevented many of them from achieving significant rates of development. Nevertheless, any lag in the supply of infrastructure will undeniably slow down development over time, even if all other factors are favorable.

Future Growth in Demand

Demand for infrastructure in DMCs is expected to grow rapidly in the next decade. Population growth by itself will create a large additional demand. This will be compounded by demand generated by rapid economic growth. In addition, many DMCs have introduced policy reforms which will encourage investment, trade and development. These, in turn, will require more infrastructure facilities. Although the precise rate of growth of demand for infrastructure in each

Growth in GDP and Demand for Infrastructure, 1981-91
 (Selected Countries)

Country	No. of Motor Vehicles			No. of Telephones			Electricity Consumption	
	Growth in GDP (%) 1981-91	Growth (%) 1981-91	per 1000 population 1991	Growth (%) 1981-91	per 100 population 1991	Growth (%) 1981-91	kWh per capita, 1991	
Maldives	11.1	-	-	21.0	3.3	21.7	128	
Korea, Rep of	9.5	19.8	73.0	18.8	36.3	8.6	1,864	
China, People's Rep. of	9.0	11.8	4.5	11.6	1.3	8.2	512	
Thailand	8.1	14.8	51.1	12.7	2.4	12.1	763	
Taipei, China	7.8	17.8	167.5	5.1	28.9	8.3	3,968	
Singapore	6.8	5.8	145.0	5.7	43.6	8.5	5,467	
Bhutan	6.6	9.4	2.7	5.2	0.1	34.4	103	
Hong Kong	6.2	3.3	63.3	6.9	53.5	11.4	4,365	
Malaysia	6.1	9.1	123.1	13.3	8.7	8.7	1,175	
Pakistan	6.0	7.4	7.0	12.0	1.0	10.7	273	
Indonesia	5.9	11.4	18.5	16.0	1.8	14.9	172	
India	5.5	11.2	6.5	5.6	0.6	9.6	271	
Nepal	4.7	6.5	2.0	17.2	0.4	13.7	32	
Sri Lanka	4.2	7.0	23.6	7.1	0.6	5.9	154	
Bangladesh	4.2	6.0	1.0	10.8	0.2	10.1	42	
Lao PDR	4.2	0.4	4.1	3.7	0.1	8.6	50	
Mongolia	2.6	-	17.1	4.6	3.0	5.0	1,136	
Papua New Guinea	2.2	(0.9)	10.9	4.9	2.0	2.8	151	
Fiji	1.6	4.8	91.4	5.3	9.7	6.1	504	
Philippines	1.2	3.9	19.9	7.2	1.4	4.6	344	
Myanmar	(0.2)	1.0	2.7	5.8	0.2	7.7	48	
Afghanistan	(1.0)	3.5	4.3	0.7	0.2	0.9	51	

country will depend on a variety of factors, it is certain that the region as a whole will see a substantial increase in demand over the next decade.

Increasingly also, the demand will be for quality infrastructure. The growing sophistication of regional economies and trends towards urbanization will make sure of that. This demand for higher quality is seen in all countries irrespective of their level of development.

Even with more effective demand-side management, most countries in the region will need massive investments in infrastructure. DMCs' current level of infrastructure investments – 5% of GDP annually – will have to rise by another 2% over the next decade if supply is to keep pace with demand. This will mean that annual infrastructure investments in the region will have to be of the order of \$130 billion by the end of the decade. The power sector alone is estimated to require investments of \$300-350 billion up to the year 2000. Telecommunications could need a further \$150 billion. The investment needs for transport are estimated to be around \$300-350 billion during the same period. Water supply and sanitation could require about \$80-100 billion.

Financing Future Investment

The resource requirements for infrastructure development in the region are such that it will not be possible to meet them by relying on traditional sources of finance alone. Moreover, budget deficits are growing in many DMCs and competing demands for resources need to be met. Resources available through development assistance channels, both bilateral and multilateral, are also unlikely to increase substantially in the future. It will be necessary, therefore, for DMCs to mobilize resources from alternative sources. The two most promising approaches are to improve cost recovery and to encourage private sector investment.

Cost Recovery

The concept of users paying for services they enjoy is widely accepted for many types of infrastructure. Often, however, it is not applied rigorously. Wider application of user charges, with appropriate consideration being given to questions of equity, is essential for mobilizing new resources for developing and sustaining infrastructure. This must be

done in the context of a clear policy and institutional framework. Questions have to be addressed as to the extent to which resources need to be mobilized and costs are to be recovered. The financial objectives of the entity providing the infrastructure and the needs of disadvantaged groups will have to be considered.

At present, the level of cost recovery from infrastructure is low in many DMCs. Resources available to sustain infrastructure are insufficient. In some cases, this situation is a reflection of prices being set below cost. In others, user charges may generate more than enough resources to cover the costs of services, but budgetary allocations for operation and maintenance are inadequate.

DMC governments and the Bank recognize that improvements in cost recovery and resource mobilization are essential for sustainable development. Developing appropriate pricing mechanisms for infrastructure is an area in which the Bank will continue to play a significant role. Where appropriate – particularly in respect of telecommunications, ports and power – the Bank encourages service providers to operate on a commercial basis, both to recover costs and to generate resources for expansion. For types of infrastructure, such as roads, where revenues are generally raised indirectly and expenditures are financed by allocations from government, the Bank stresses the need for user charges and adequate resource allocations.

The Bank's involvement in matters of pricing and cost recovery goes back to the early years of its operation. More recently, these issues have been raised during discussions on railways in PRC, ports in India, water supply in Lao PDR, airports in Mongolia, and power and telecommunications in Thailand. Policy dialogues on road pricing in PRC, Fiji and Philippines have focused, respectively, on raising revenue from tolls on expressways, improving cost recovery through indirect user charges (such as license fees) and improving the allocation of funds for maintenance. In many of these cases, the question of institutional change, such as commercialization of services, has figured prominently. In all cases, the Bank has sought to achieve an appropriate balance between the needs of resource mobilization, demand management and equity.

Commercialization

Applying commercial disciplines to the provision of certain types of infrastructure, particularly infrastructure that can generate revenue directly, can help improve cost recovery, enhance efficiency and increase sustainability. Transferring the responsibility for providing services from government departments or ministries to autonomous authorities or entities operating along commercial lines is important. This way, direct cost recovery and resource mobilization can be improved, provided these entities have the freedom to make their own decisions. Demands on government budget can be reduced and the need for administrative support can be

eliminated. When introduced for appropriate types of infrastructure, commercialization also gives users a more significant role, particularly when alternative service providers are in competition. This improves the planning and quality of services provided.

Commercialization has the further advantage of making the financial implications of operations more transparent. If subsidies are provided, they can be easily identified in operators' accounts.

Commercialization of ports and telecommunications has taken place in several DMCs. The application of commercial disciplines is now widespread in power generation and distribution.

An important objective of the Bank is to ensure that public sector operators have the financial and managerial independence to function in a commercially-oriented manner. This is done through policy dialogue and strategic technical assistance. A recent example is the Ulaanbaatar Airport project in Mongolia. Extensive dialogue in connection with this project resulted in a restructuring of the civil aviation sector that should ensure the sustainability of facilities. Technical assistance is being provided to support this restructuring. Likewise, in PRC, the Bank has supported a series of railway projects being implemented and operated on a commercial basis by local railway companies. These companies are responsible for servicing the loans as well as operating the railways. Their role has been the focus of much policy dialogue, and technical assistance has been provided to strengthen their commercial orientation.

Mobilizing Private Sector Resources

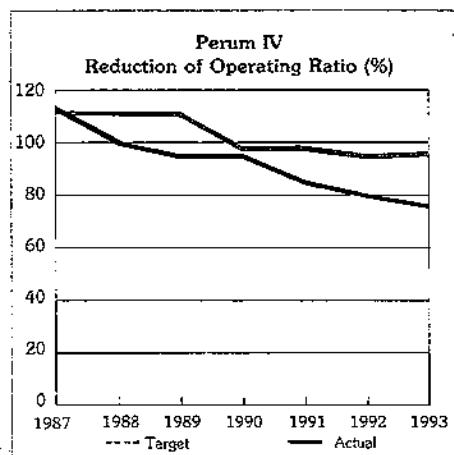
Traditionally, the public sector has been viewed as the principal provider of infrastructure services. In part, this role has been defined by the scale of resources required and by the perception that public control of infrastructure is essential if public interest is to be served.

This perception is changing in many countries. It is increasingly recognized that public interest is not necessarily best served by state ownership of infrastructure. More important are the issues of efficiency and sustainability. It is realized that the public sector may not always be able to provide certain types of infrastructure as efficiently as the private sector. DMCs are increasingly accepting the fact that the private sector can play a more effective role in supplying infrastructure services. However, the public interest must be protected by an appropriate regulatory system, and individual DMCs must carefully evaluate the relative roles of the public and private sectors.

In the process of increasing private sector participation, structural reforms should be undertaken at an early stage to create an appropriate environment. Such reforms are needed to introduce competition, separate ownership and regulatory functions, make the system of regulation transparent and to broaden the financing base. The Bank will continue to

Port Pricing Policy in Indonesia

AN IMPORTANT element of policy dialogue between borrowers and the Bank in the port sector is port pricing. In determining an appropriate pricing structure for ports, consideration must be given to (i) the financial aspect, setting prices at levels at which costs are recovered and an adequate return is earned on the capital invested; (ii) the economic aspect to encourage efficiency; (iii) the equity aspect, or the possible support of socially important, but unprofitable, ports through cross-subsidies from profitable ones; and (iv) incentives to encourage port competition or trade development.

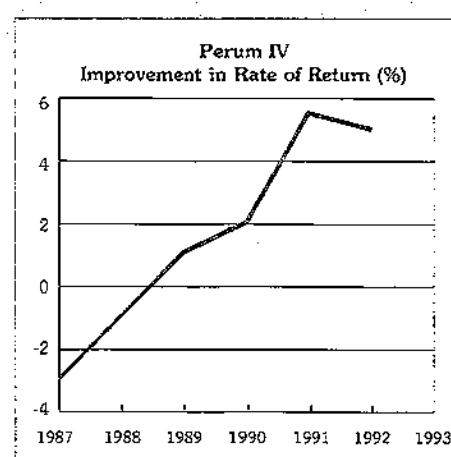
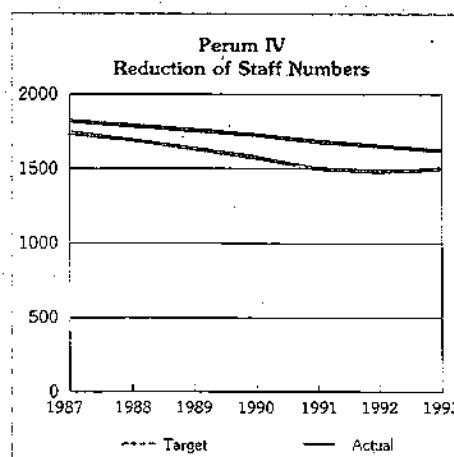


One example is the performance of Perum IV, the port corporation based in Ujung Pandang. Tariffs have been increased significantly to allow for depreciation and loan amortization. Management information systems and

operating practices have been improved. Costs have been brought down. The resulting improvement in managerial and financial efficiency has exceeded expectations. For example, staff numbers have been reduced through natural attrition at a faster rate than targeted. The operating ratio has also been reduced much more quickly than proposed in the performance target. As a result, the rate of return on fixed assets, which had previously been negative, is now around 5%. Overall tariff reform, combined with institutional and operational changes, has helped to make the port sector in Indonesia financially sound and economically efficient, without ignoring the objectives of regional development.

Each of these aspects is important. Port management must strive to attain financial viability by improving port efficiency and taking into account user perceptions of port services. The question of user perception is very important, since multimodal technology gives users the choice of using or not using a particular port to balance their costs. There is, therefore, a risk of losing customers if tariffs are kept low at the expense of providing adequate facilities.

Such a balanced approach to port pricing was developed by the Government of Indonesia and the Bank in the course of recent port projects at Surabaya, Banjarmasin, Balikpapan and six smaller ports in Kalimantan and Sulawesi. Tariff reforms, institutional strengthening and operational improvements were recommended under technical assistance provided by the Bank for these projects. The recommendations were reflected in performance targets set for the Government-owned port corporations.



provide guidance and technical assistance to maintain the momentum of reforms.

The proper mix of competition, regulation and pricing will depend on particular situations, as will the nature of the regulatory mechanisms. In general, the greater the competition allowed, the lesser the need for regulation and price-setting formulas.

However, given the lumpy nature of infrastructure investment, extensive competition may not often be possible. When that is the case, the actions of providers will need to be subject to regulatory supervision. An independent and transparent regulator will have to be established to oversee the relationship between suppliers and consumers and to make consistent decisions on pricing without ignoring the link between operational efficiency and financial reward. Incentive-based regulation is a comparatively new concept which has proved to be very effective. In power, telecommunications, water and other utilities in the United Kingdom and in power distribution in Chile, such an approach has improved efficiency and encouraged technological development.

Private sector involvement in infrastructure can be promoted in several ways. Even if the ownership and operation of infrastructure remain a direct government responsibility, the private sector can be involved in the planning, construction and maintenance of facilities. Where government operators find it difficult to recruit experienced staff (such as in small island DMCs) or to retain staff because of government employment conditions (as is the case in many Asian DMCs) the private sector can be contracted, on the basis of competitive bidding, to undertake technical or commercial functions.

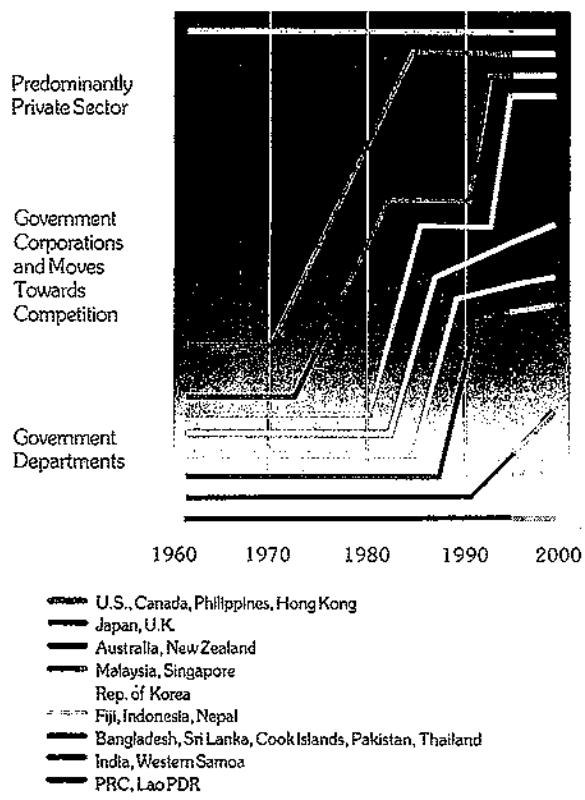
Privatization

Privatization is in many ways the logical next step to corporatization of infrastructure once the idea of private sector ownership is accepted. By allowing the private sector to take over part or all of the ownership, governments can remove themselves from direct involvement.

Though not a panacea, privatization, if properly conceived and implemented, can stimulate investment in infrastructure, particularly in telecommunications, power and ports. The process of privatization can be progressive. Initially, the private sector may be enlisted as a supplier of intermediate services to a commercialized operator. This is to be followed by partial privatization and, finally, full privatization.

In many DMCs, such a process of evolution is under way. In the telecommunications sector, only the Philippines has had the private sector as the predominant provider of services since the 1960s. Most other countries had telecommunications provided by government departments until the early 1980s, as the accompanying chart shows. Since then, several countries have embarked on the process of sectoral restructuring by moving towards corporatization and allowing competition. Others have not or have only recently started to

Telecommunications Trends in Selected Countries



do so. The trend towards increased private sector involvement appears to be gaining momentum. However, even by the year 2000, it is probable that telecommunications in most DMCs will continue to be provided by a variety of entities ranging from government departments through autonomous government corporations to fully competitive private sector operators.

Commercial Financing for Infrastructure

The private sector can further contribute to infrastructure development by providing resources through capital markets. Loans for infrastructure development can be raised from commercial lenders by private and public sector entities. Equity markets can play a role in privatizing public companies.

There is also potential for bond financing as bonds involve lower costs, longer maturities and a wider market. However, bond financing will require a legal framework, appropriate accounting standards and a secondary market. Potential bond issuers must also be able to establish their creditworthiness with international credit rating agencies. At

BOT in the Philippines – the Navotas Power Plant

IN RESPONSE to a rapid growth in demand for power in the Philippines and a projected shortfall in generating capacity, the Government, in the late 1980s, initiated policies to encourage private sector participation in power development. Previously, power development had been primarily the responsibility of the government-owned National Power Corporation.

The first private sector proposal accepted by the Government was for a 200 MW single-cycle gas-turbine BOT project at Navotas, 30 km north of Manila, to provide peak power to the Luzon grid. Under the agreement, Hopewell Energy (Philippines) Corporation, the project's sponsor, will own and operate the plant for 12 years. During this period, it will provide peak load power for about four hours each day and will stand by at other times for emergency use. At the end of the cooperation period, the plant will be transferred at no cost to the National Power Corporation.

The total cost of the project was estimated to be \$45.5 million, of which \$4.5 million was in the form of support services provided by National Power Corporation at no cost to the project sponsor. The sponsor proposed to finance the remaining amount through equity and debt. The Bank agreed to contribute \$1.1 million of equity and a loan of \$10 million for the project. In addition to the sponsor and the Bank, equity was provided also by the International Finance Corporation and a commercial bank. IFC provided \$10 million, while an equal amount was co-financed by commercial sources under the Bank's Complementary Financing Scheme.

The average utilization of the Navotas plant in the past two years has been well in excess of the original estimate of four hours each day. This has helped reduce the shortfall in power supply that has adversely affected economic growth in the Philippines.

The Navotas project represented the Bank's first involvement in private sector power projects. Since then the Bank has participated in two more BOT power projects in the Philippines and one in PRC. The total of loan and equity finance provided by the Bank for such projects now exceeds \$140 million.

present, in many DMCs, the potential for use of domestic capital markets to finance infrastructure development is limited by the lack of appropriate institutions.

There is also the perception of commercial financiers that infrastructure investments are risky. Infrastructure development funds, such as those currently being proposed for Asia as a whole and specifically for the Philippines are one way in which some of the perceived risks might be reduced. Such funds would spread the risks across a portfolio of infrastructure investments.

The Bank will play a catalytic role in mobilizing private sector finance for infrastructure development. Through its Complementary Financing Scheme and guarantee facilities, the Bank can utilize its credit rating to leverage commercial capital inflows into DMCs the financial markets may perceive to be "below investment grade."

The additionality thus provided can substantially enhance the value of the Bank's direct involvement in projects. The Bank has arranged commercial co-financing for several infrastructure projects mainly using complementary financing and guarantees. Since 1990, seven infrastructure projects have benefited from commercial co-financing to the extent of over \$470 million.

The Bank is looking for ways to encourage more extensive use of these facilities. While most of the commercially co-financed projects have been in the power sector, two of them, the Shanghai Yangpu Bridge and the Shanghai Nanpu Bridge in PRC, are transport projects.

Build-Operate-and-Transfer

One way in which private sector investment is being increasingly attracted for infrastructure development in DMCs is the build-operate-and-transfer (BOT) scheme or its associated variants. Under this scheme, private investors finance, develop and operate infrastructure and sell services to consumers at prices previously agreed with government. This financing mechanism is becoming attractive to DMCs since facilities can be provided without investments or loan guarantees by government and with only limited public sector involvement in planning and management. However, because the risks associated with BOT projects are borne entirely by the private sector, the cost of capital is generally higher. This tends to be reflected in the pricing of the services provided.

The Bank is well placed to play a significant role in catalyzing BOT and similar projects. Its support through loans or equity investment can enhance the credibility of projects in the financial markets. This can leverage additional investment. In addition, by becoming involved at the planning and negotiation stages of BOT projects, the Bank can advise host governments and project sponsors how to improve project quality.

The Bank has already supported six BOT projects, mostly through loans but with some equity investments as well. Four of these projects are in power generation, three in the Philippines and one in PRC. The others are an urban expressway in Thailand and an oil terminal in Pakistan.

Improving Efficiency

DMCs can supplement resources also by making the provision and use of infrastructure efficient. Greater efficiency in the use of infrastructure can be achieved through pricing policies to discourage wasteful consumption. Demand management techniques, including financial incentives, can be used to encourage technologies that require lesser use, for example, of power and water.

The upgrading of existing facilities often offers a comparatively low-cost means of increasing capacity. Better maintenance will ensure efficient and uninterrupted operation. Improved operational practices, such as reducing the level of nonrevenue use of power, water or railway passenger services and improving revenue collection, can also increase efficiency. Involving users in planning and operating certain types of infrastructure can ensure that the services provided are not wasteful.

The Bank has wide experience in projects designed to improve the efficiency of infrastructure. In recent years, rehabilitation and upgrading have been the focus of several projects in power, water supply, transport and communications. The introduction of improved maintenance or operating practices is a common feature of many Bank-financed infrastructure projects. Technical assistance is provided with this objective in mind. The Bank encourages policies that will improve cost recovery, help mobilize resources, reduce wasteful consumption or increase revenue collection. Where appropriate, institutional reforms are sought to commercialize or corporatize operations and allow competition. By encouraging efficiency improvements in the use and provision of infrastructure, the Bank helps reduce DMCs' resource requirements.

Role of the Bank

Given that infrastructure is essential to development, infrastructure projects form an important part of the Bank's activities. Up to the end of 1993, the Bank lent a total of over

LENDING FOR INFRASTRUCTURE

	Projects	\$ billion	% of all Loans
Power	168	9.3	19.4
Transport and Communications	185	9.0	18.8
Water Supply and Sanitation	82	2.3	4.8
TOTAL	435	20.6	43.0

The Bank's Objectives in Infrastructure Development

THE Bank's objectives in infrastructure development are to:

- (i) facilitate economic growth through the removal of bottlenecks;
- (ii) promote balanced regional growth;
- (iii) enhance efficiency and productivity through public sector reform, greater private sector participation, commercialization and privatization of government-held assets and operations; and market pricing, deregulation and the use of modern technology;
- (iv) sustain facilities and services through adequate cost recovery and appropriate tariff and financial policies;
- (v) undertake sector development in an environmentally sound manner; and
- (vi) catalyze regional cooperation.

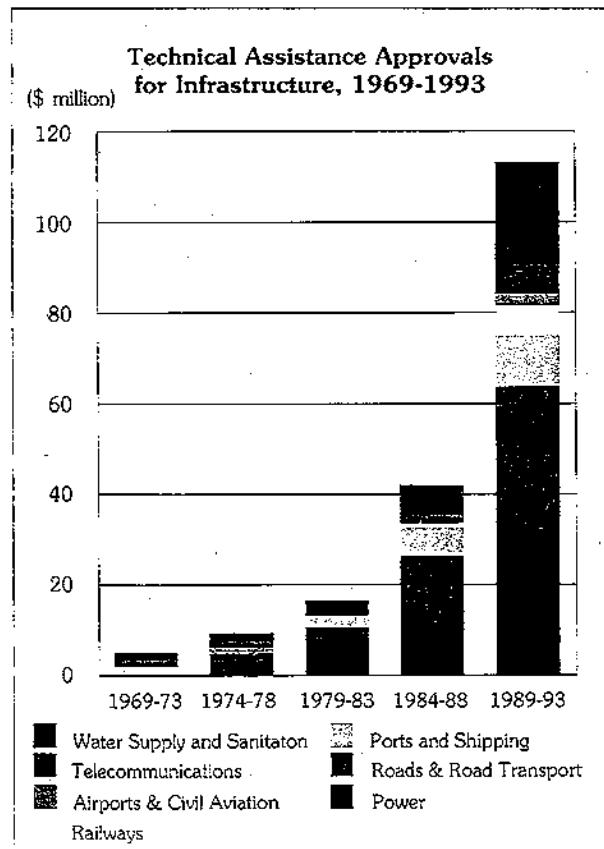
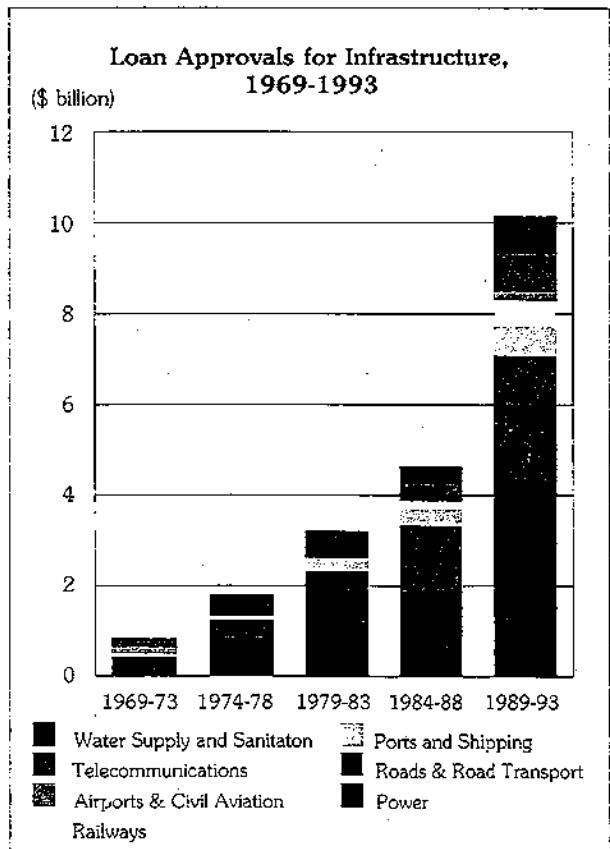
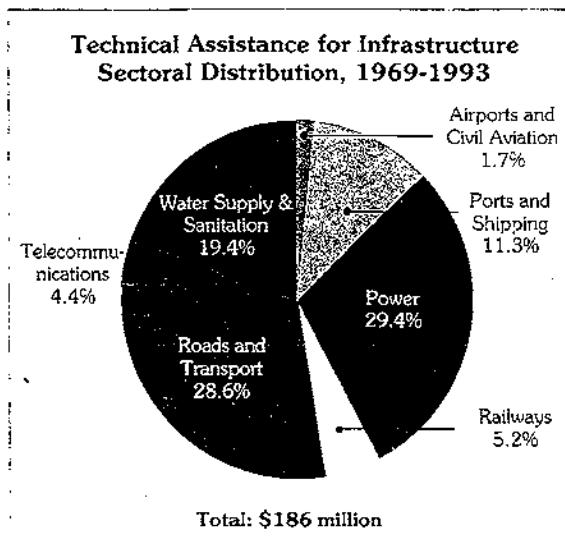
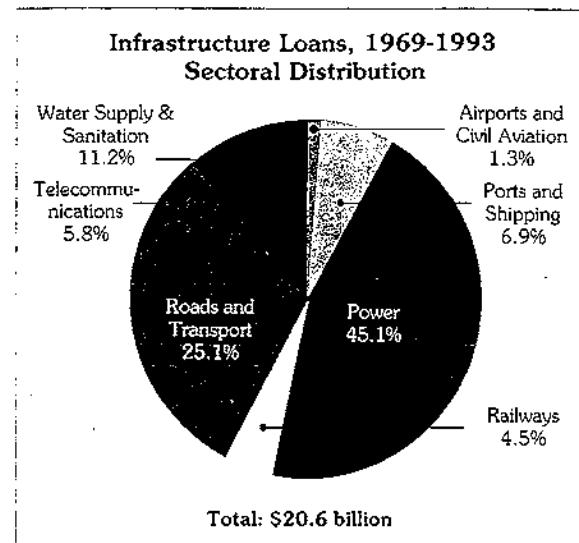
TECHNICAL ASSISTANCE FOR INFRASTRUCTURE

	Number	\$ million	% of all TA
Power	152	54.6	7.7
Transport and Communications	268	95.6	13.5
Water Supply and Sanitation	122	36.1	5.1
TOTAL	542	186.3	26.3

\$20 billion for 435 infrastructure projects (about 43% of all Bank lending).

While the mix of infrastructure projects for which the Bank has approved loans has varied over time, power projects have consistently accounted for the largest share of lending. Within transport and communications, roads and road transport have received the most support, although lending for railway and telecommunications projects has grown rapidly in the last ten years. Port and shipping projects have maintained a relatively stable share of overall lending. The Bank recently started lending again for airport and civil aviation projects after a break of several years. Lending for water supply and sanitation projects, although increasing in value terms, has declined in recent years as a proportion of overall Bank lending.

The Bank has also provided extensive technical assistance to DMCs to assist in project preparation, sectoral reforms, institution building, human resource development and a



more effective delivery of services. More than \$186 million in grant-financed technical assistance was provided up to the end of 1993 for 542 infrastructure projects, or 26% of all technical assistance grants.

The volume of technical assistance has grown rapidly since the early years of the Bank's operations and the division between sectors has changed over time. However, power,

roads and road transport have accounted for the largest shares of the Bank's technical assistance to infrastructure.

The nature of the Bank's involvement in infrastructure development has evolved in line with the needs of DMCs. Much of the Bank's early involvement was related to the construction of highways, ports, water supply facilities, and power generation and distribution systems. Today's newly

Community Involvement in Rural Water Supply in Nepal

GETTING communities to participate actively in rural water supply and sanitation projects has been a central objective of the Bank's involvement in this sector in Nepal, as elsewhere. The extent of participation has determined the degree of project sustainability. The elements of participation include establishing water users committees, and involving them in planning, designing, implementing and recovering costs for operation and maintenance.

Attempts to encourage community participation under the Bank's first two water supply projects in Nepal met with limited success. This was largely because user committees were not involved from the outset in designing projects or operating facilities. This led to their reluctance in accepting responsibility for operating and maintaining schemes. Since then, the Bank and the Government have modified their approach to community involvement in rural water supply. The design of the Third Water Supply and Sanitation Sector project, approved in May 1992 and targeted to cover about 900,000 people, incorporates a demand-driven approach. Under this approach, the community, through an already established user committee, applies to the local government for the construction of a water supply scheme and indicates the extent of its willingness to contribute in cash and kind. Each application is evaluated in terms of agreed criteria, including cost of the scheme, the degree of hardship in accessing existing water sources, water quality and the extent of community involvement. The application also forms the basis for the design and implementation of the scheme.

The success of this approach has been demonstrated by the large number of schemes taken up. The number of user committees willing to take on responsibility for operating completed schemes has increased. The high degree of beneficiary commitment means benefits to the community will be sustainable. Women, for example, will spend less time than before in collecting water. The time thus saved can be spent for other productive activities, such as handicraft making or vegetable growing. As a result, family incomes will increase, and health and hygiene will improve.

Industrializing economies were then the prominent borrowers. In the late 1970s, the emphasis changed. The upgrading of existing infrastructure received more attention as part of a process to improve efficiency. This process has since continued. Rehabilitation of infrastructure is becoming a significant area of activity for the Bank. Bank lending for infrastructure now consists of a mixture of new construction, upgrading and rehabilitation. The precise mix depends on types of infrastructure and countries involved.

The Bank also encourages the transfer of technology to improve DMC capabilities in planning, designing and operating infrastructure. Wherever possible, the Bank also promotes the development of domestic construction industries. If the domestic construction industry is strong, it is possible to contract maintenance work to private contractors. This approach has proved to be a very cost-effective way of maintaining roads in Malaysia and Pakistan, as well as maintaining trial projects elsewhere, including the Philippines. It also provides an incentive to the public sector to improve its own maintenance performance.

In achieving its objectives, the Bank promotes policy reforms and sector restructuring to create the environment necessary for efficient and sustainable infrastructure development. Reforms and restructuring also help mobilize resources needed for future development. Where market orientation is not appropriate, the Bank will encourage the allocation of adequate resources for operation and maintenance and the efficient use of resources.

The building of institutions necessary for an efficient development of infrastructure also forms part of the Bank's

sectoral strategy. In particular, planning and regulatory institutions will be strengthened and operating entities will be structured more efficiently. Human resource development and training of technical, managerial, commercial and regulatory personnel will be emphasized.

The Bank will continue to encourage appropriate pricing policies to achieve acceptable levels of cost recovery from users, subject to considerations of equity, and to promote efficiency in infrastructure use. Where appropriate, price reforms will be based on a long-term view of costs. Tariff reforms and improved revenue collection by enterprises will be supported.

Policy and sector reforms will be encouraged to promote private sector investment in infrastructure. Where necessary, the Bank will use its own financial involvement in projects to leverage additional investment from the private sector.

In promoting infrastructure development for economic growth, the Bank will keep in mind the question of equity of access and protection of the environment. Projects particularly beneficial to disadvantaged groups, such as urban and rural water supply and rural electrification, will be emphasized. Through the development of rural roads and rural telecommunications, the Bank will continue to improve the access of rural communities to services, such as education and health, that contribute to social development and increase the potential for incomes. The involvement of target beneficiaries in the planning, operation and maintenance of infrastructure will be encouraged, as will pricing structures that reflect the capacity of disadvantaged groups to pay for services.

The Bank uses Environmental Impact Assessment to

Telephones for Rural Communities in Thailand

BY SUPPORTING the development of rural telecommunications, the Bank has helped bring immense financial and social benefits to rural communities in DMCs such as Thailand.

The first Rural Telecommunications project in Thailand, assisted by a Bank loan of \$22.9 million, was completed in 1990. It brought local and long-distance public telephone service to 1,500 *tambons* (subdistricts comprising seven to ten villages) in 72 provinces. Each *tambon* was provided with three public telephones: one regular metered telephone at the residence of the village leader and two public coin-box telephones near a temple or a public market. The Second Rural Telecommunications project, approved in June 1993 and supported by a loan of \$84.1 million, will provide similar facilities to the remaining 3,500 *tambons* which currently lack access to telecommunications. By 1996, all rural dwellers in Thailand will have access to telephone services and the telephone density in rural areas will have risen from the current level of 1.3 per 100 persons to 3.3.

The post-evaluation of the first project shows that it has resulted in a range of important socioeconomic benefits to rural communities. Interviews with rural users show that access to telephones has generated substantial savings on transport between rural areas and urban centers. The availability of public telephones at village markets has assisted business activities, particularly the buying and selling of produce by women. Thus, incomes and employment opportunities have increased. Contacts have improved with family members working or being educated in Bangkok and other urban centers. The delivery of health care services has improved through better communication between health units and rural population centers.

ensure that infrastructure development is carried out in an environmentally sensitive manner. Where necessary, the environment is rehabilitated after completion of construction. If local populations have to be relocated, community groups are consulted about the relocation exercise and the compensation involved. The Bank will continue to encourage environmental improvements through the use, for example, of clean-coal and combined-cycle technologies for new power generation and through mitigatory measures in the case of existing power plants.

To maximize the effectiveness of its strategies for infrastructure development, the Bank will coordinate its activities with those of other multilateral and bilateral funding agencies. This is particularly important in the fields of policy and institutional development.

Infrastructure projects assisted by the Bank have a good record of success. Over 80% of post-evaluated infrastructure projects have been rated "generally successful" and 15% "partly successful." Less than 5% have been rated "unsuccessful."

The volume of resources required by DMCs for infrastructure development over the next decade is enormous. The Bank's direct contribution will meet only a small part of this requirement. More important will be its efforts to catalyze sectoral reforms and encourage private sector investments. By stimulating the development of appropriate sectoral policies and institutions, the Bank will be well positioned to play a significant role in helping DMCs meet the challenges of infrastructure development over the next decade and beyond.



ECONOMIC DEVELOPMENTS IN DMCs

THE RATE of expansion in world economic output in 1993 remained about the same as in 1992. Growth expanded in Asia and Latin America, but slowed down in industrial and Middle Eastern countries. In the transitional economies of Eastern Europe and the former Soviet Union, output continued to decline but more slowly than in 1992. Production capacity continued to be underutilized and the rate of unemployment remained high in a number of countries. Among the industrial countries, the Japanese economy remained weak and continental Europe registered negative growth. Only the Anglo-Saxon countries showed signs of significant improvement. The United

Kingdom grew by 2% while Australia, Canada and United States expanded between 2.4% and 3%.

Negotiations under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) came to a successful conclusion in December. Prior to that agreement, apprehension was growing that the world trading system would splinter into regional trading blocs. Primary commodity markets remained sluggish in the wake of continued slow growth in industrial countries. Although this was offset to a certain extent by declining rates of inflation and very low interest rates, the terms of trade for primary commodities remained poor. This adversely affected their external balances.

ECONOMIC INDICATORS OF ADB DMCs AND REST OF DEVELOPING WORLD

	DMCs ^a			Rest of Developing World		
	1991	1992	1993 ^b	1991	1992	1993 ^b
GDP Growth Rate (%)	6.2	7.4	7.3	2.6	3.4	3.0
Inflation Rate (%)	8.6	7.8	7.9	80.9	97.6	123.4
Current Account Balance (\$ billion)	-5.2	-9.2	-19.1	-80.8	-57.7	-59.6
Exports (Growth Rate: %)	14.4	13.4	11.0	-4.1	4.8	2.3
Imports (Growth Rate: %)	14.6	13.2	12.8	8.1	10.7	2.1
External Debt Outstanding (\$ billion)	389	423	482	953	966	1,000
Debt-Service Ratio ^c	14.7	13.9	13.7	12.1	12.5	13.4

a Average of all DMCs.

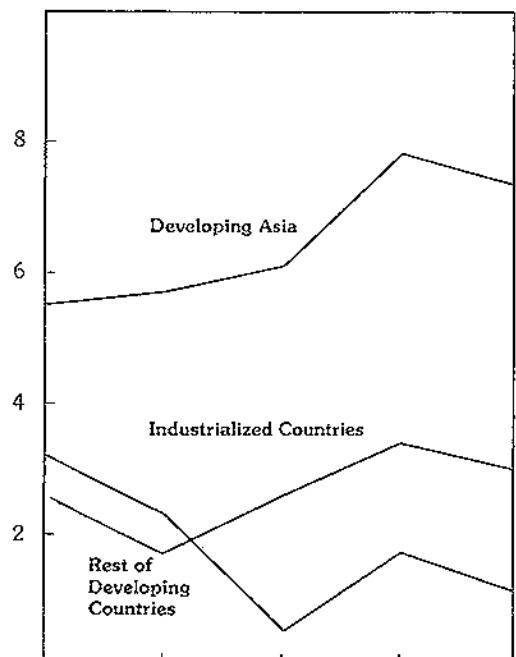
b Preliminary estimates.

c As percentage of exports of goods and services.

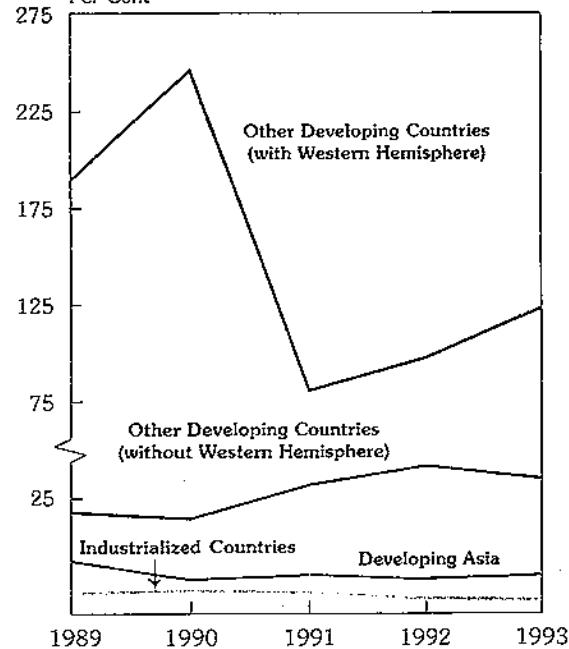
Sources: IMF, *World Economic Outlook*, October 1993 for the rest of developing world.
ADB data file.

World Economic Growth Rates

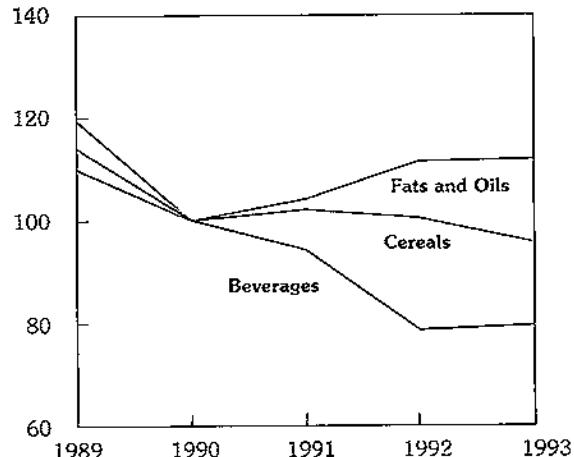
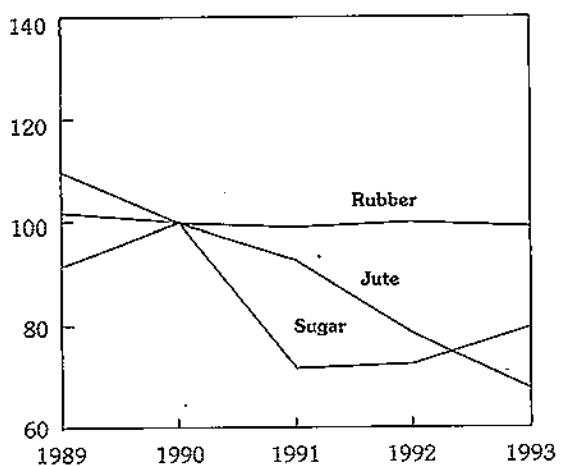
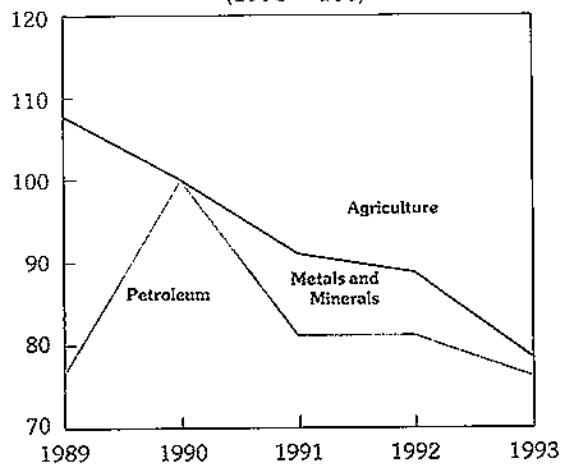
Per Cent

**Inflation¹**

Per Cent

¹ Refers to consumer prices.**Index of Commodity Prices***

(1990 = 100)



* In current US\$

The International Setting

AN INTERESTING feature of the world economy in recent years has been a widening of growth differentials between industrial and developing economies. This trend became quite pronounced in 1993 when GDP in industrial economies increased by less than 1% while developing economies registered growth of close to 5%.

The recession in industrial economies continued for the fourth year as their aggregate output again fell short of potential. While the prolonged slowdown helped reduce inflation and interest rates, many economies had difficulties in establishing a lasting recovery. Most of the economic stimulus to the recovery came from relaxed monetary policies. Because of a large stock of public debt accumulated in previous years, it was difficult to use discretionary fiscal policy to stimulate aggregate demand. Furthermore, the debt overhang made financial intermediaries reluctant to lend and a slow growth in disposable income made consumers cautious to spend.

In the United States, economic recovery, which began in the third quarter of 1991, continued to be slow. Although the 3% growth in 1993 was slightly higher than in 1992, it was still below the trend rate of output. The Federal Reserve pursued an expansionary monetary policy as interest rates fell to 20-year lows. While interest-sensitive components of aggregate demand, including housing and durable goods purchases, responded well to this policy, aggregate demand, for most of the year, remained sluggish. The recession in Japan and Europe affected US exports and reduced the positive effect of the trade sector on growth.

In Japan, growth was positive in the first and third quarters of the year but declined in the second. The economy grew by an estimated 0.1% during the 1993 fiscal year. Private consumption remained weak as less overtime and lower bonus payments cut into disposable income. The lack of consumer confidence also affected sales of durable goods. Investment in plant and equipment remained weak. The manufacturing sector sought to work off the overcapacity it had built up when capital was cheap. Fiscal policy was expansionary, stimulated by three policy packages introduced between August 1992

and September 1993. In September, the official discount rate was further lowered to an all-time low of 1.45%. As a result of these measures, housing construction and public investment have been increasing steadily. On the whole, however, economic conditions remained weak. The labor market remained relatively unaffected by the recession as employers chose to cut compensation and bonuses rather than retrench. Net external demand made a negative contribution to growth in the 1992-1993 fiscal year. Export volumes declined but imports increased despite a large dollar-denominated trade surplus. The trade surplus ballooned as a result of yen appreciation.

Following a post-unification boom which began to fade at the end of 1992, Germany remained mired in recession. Its GDP declined by 1.3%. The manufacturing sector was particularly hard hit as both domestic and external demand remained sluggish. Monetary policy was relatively tight. Although interest rates fell through the year, they remained high in real terms. The yield curve continued to have a negative slope. At the same time, trade was sluggish. The real exchange rate and unit labor costs rose and Germany continued to lose competitiveness in external markets. Although weak domestic demand slowed imports; the trade balance remained negative because of poor export performance.

In Eastern Europe, the liberalization of trade and prices, enterprise reform and the adoption of more stable macroeconomic policies helped improve economic performance. The private sector responded favorably to market incentives and changes in the legal and regulatory framework. Income fell only slightly in 1993, compared with a decline of 9% in 1992. Reforms moved more slowly in the former Soviet Union as its transition to a market economy was complicated by political uncertainty and financial instability. Output declined by about 12% in 1993.

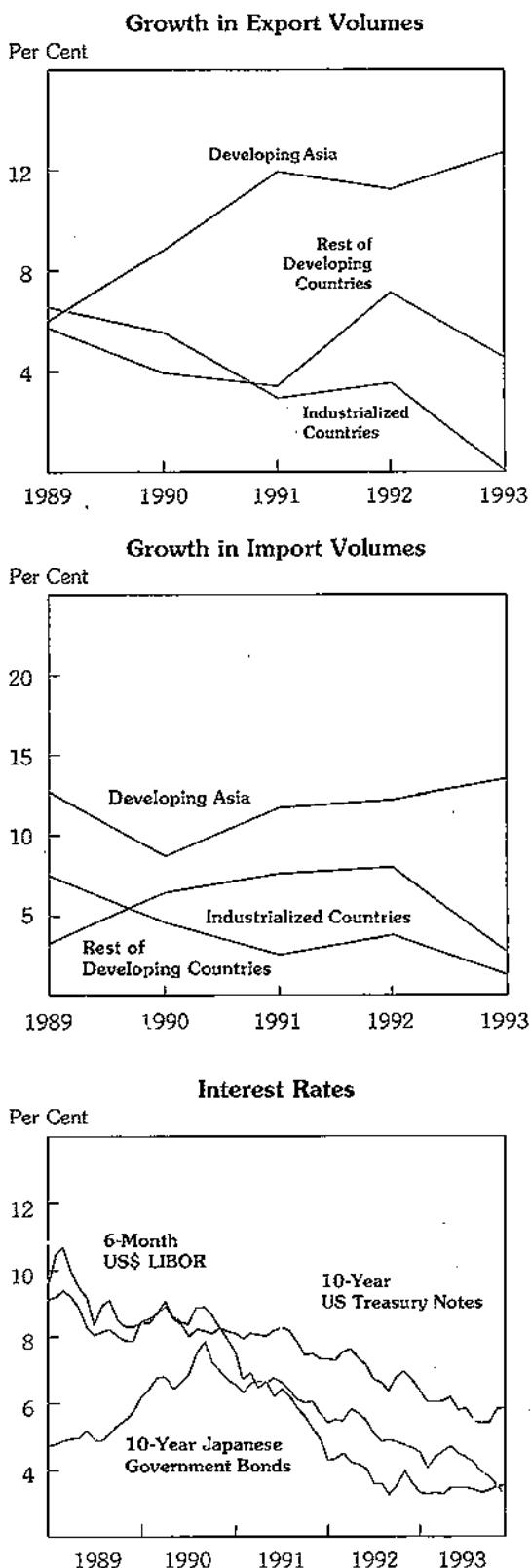
Developing economies outside of Asia continued to benefit from low inflation in industrial countries. This reduced their debt servicing burdens. However, their trade was affected by the sluggishness of primary product prices and slow growth in industrial countries.

Overview of Developing Member Countries

Despite the sluggish growth of the world economy, the Bank's DMCs retained their dynamism. On the whole, they achieved a 7.3% growth rate. However, this was largely attributable to the rapid growth of only a few economies, namely, People's Republic of China (PRC), Malaysia, Singapore, Thailand and Viet Nam. PRC's GDP growth of about

13% fueled by its external sector and inflows of foreign direct investment, was the most prominent feature of the DMCs' 1993 performance.

The region's performance bore evidence that economic reforms and structural changes undertaken in previous years were beginning to produce results. This was particularly true of India and Viet Nam. While the growth rate was still low in the Philippines, it had improved as a result of policy reforms. On the other hand, growth



rates deteriorated in some countries in South Asia, where poor weather affected agricultural output and, consequently, exports.

Inflationary pressures did not change much from the previous year. Among the newly industrializing economies (NIEs), inflation rose to 8.5% in Hong Kong due to greater domestic demand but eased in Korea and Taipei, China in tandem with their slower economic growth. Despite PRC's contractionary policies in the latter half of the year, its inflation rate was at double-digit level. In Southeast Asia, inflationary pressures generally abated as a result of cutbacks in public expenditure and tight monetary policies. In Viet Nam, the rate of inflation declined to the single-digit level despite higher economic growth. In South Asia, the rate of inflation declined during the year.

The current account balances of the DMCs presented a mixed picture. Among the NIEs, only Korea showed an improvement. PRC's balance deteriorated significantly, reflecting a surge in imports. In Southeast Asia, Viet Nam experienced a sharp deterioration while Malaysia registered a small surplus for the first time in several years. The balances of most South Asian countries remained in deficit, although the volume of deficit was reduced for some countries. In general, foreign direct investment remained high, although some countries, such as Malaysia, experienced a sharp decline.

Newly Industrializing Economies*

Economic Growth

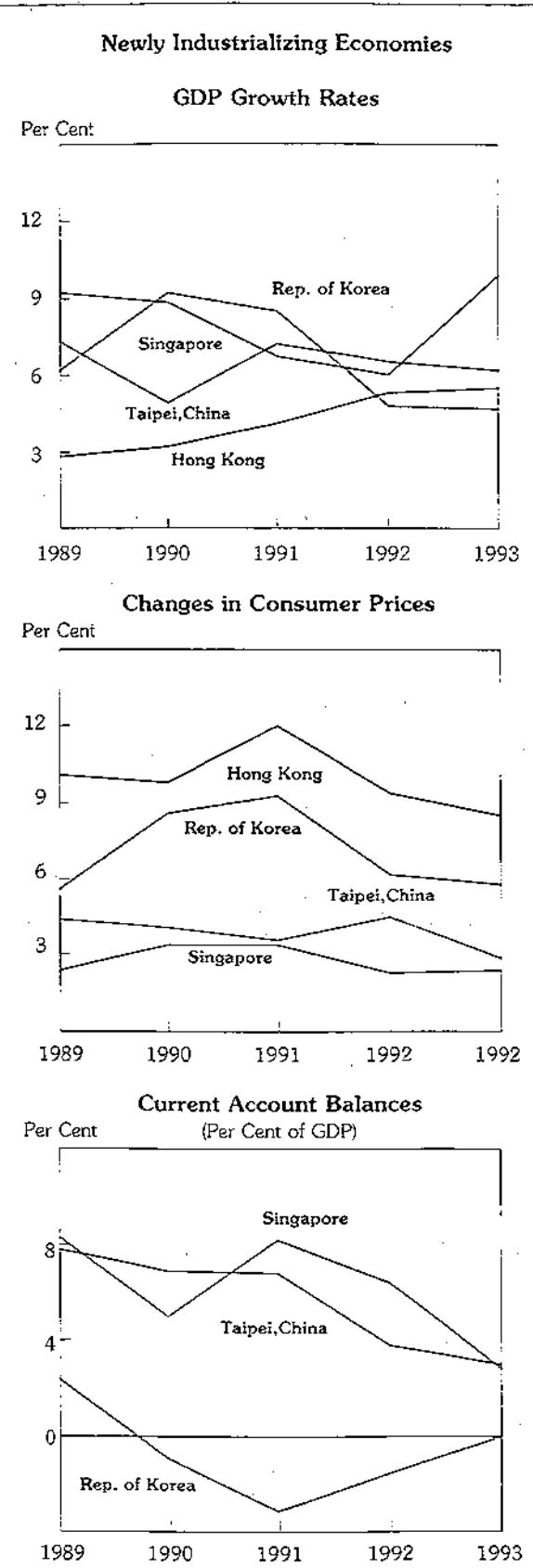
The NIEs presented a mixed picture of economic growth in 1993. While Republic of Korea and Taipei, China suffered declines in their growth rates, Hong Kong and Singapore showed increases. On average, however, the group's growth rate rose to 5.7% from 5.5% in 1992.

The Republic of Korea's growth rate declined slightly to 4.7% due to sluggish domestic demand. Uncertainty about the future course of government policy continued to deter business activity. Private consumption spending suffered from the negative wealth effect of the poor performance of stock and real estate markets. The growth of government consumption was also weak because of an austerity drive.

In Taipei, China, the growth rate decelerated to 6.2% from 6.5% in 1992. This was mainly the result of weak performance of the export sector and the Government's tight fiscal stance. On the supply side, real growth in the services sector declined slightly owing to some slowdown in the finance and insurance sectors. The industrial sector performed weakly because of soft export demand, while agricultural output continued to decline.

Hong Kong's relatively modest economic growth of

* Hong Kong, Republic of Korea, Singapore and Taipei, China.



5.5% was due to declines in both domestic exports and re-exports, reflecting the sluggish world economy and fiscal austerity in PRC. Singapore achieved a growth rate of about 10%, mainly on the strength of its manufacturing and financial sectors. Strong export demand for consumer electronics (including hard disks) in the United States boosted the manufacturing sector. Buoyant stock market transactions and greater lending activities led to an upsurge in financial and business services.

Inflation

Despite the overheating of the economies and shortages of infrastructure, inflation in the NIEs remained low. The only exception was Hong Kong, where the rate was over 8%.

Although a poor harvest exerted an upward pressure on prices in the Republic of Korea, the prolonged recession in the country helped reduce the overall inflation rate to 5.8% from over 6% in 1992.

In Singapore, the appreciation of the Singapore dollar helped contain inflation to a low 2.4% despite rising labor costs and higher residential property prices. Inflation decelerated further in Taipei, China to below 3%, due to low international prices of agricultural and industrial materials, including oil.

External Sector

The performance of the external sector was also varied. The Republic of Korea's trade balance improved in 1993 as exports benefited from a weaker domestic currency and imports were restricted by weak domestic demand.

Singapore's trade deficit widened due to a rapid growth in imports. This was partly the result of a strong growth in domestic exports and re-exports, which depend heavily on imported materials.

The demand for both domestic exports and re-exports from Hong Kong softened because of the global recession. Imports, on the other hand, continued to increase, worsening the external account.

Export and import growth decelerated considerably in Taipei, China, due to a belated recovery in the world economy and low domestic demand. As a consequence, both the trade and current account surpluses narrowed.

Domestic Policies

Although monetary and fiscal policies remained tight in the NIEs, Taipei, China and Republic of Korea eased up during the second half of the year in order to relieve pressures from capital shortages.

In August, Taipei, China loosened selective credit control over investment companies and construction agencies in order to stimulate private investment. Reserve requirements were eased in September, encouraging bank lending and

deposit rates to decline.

In the Republic of Korea, as part of the new Government's reform program against corruption and unfair accumulation of wealth, all holders of bank accounts were required to reveal their identities. Virtually all movements of funds out of financial institutions were frozen. However, in order to avoid any adverse impact on an already weak economy, the Government eased its monetary stance.

In Hong Kong, strict controls were imposed on mortgage approvals.

Taipei, China announced an economic stimulus package designed to boost private investment. The objectives behind the move were to bring about a rapid industrial restructuring of the economy, develop Taipei, China as a regional operations center for multinational enterprises and promote trade across the China Strait. Also during the year, the New Taiwan dollar reversed its appreciating trend, and further depreciation of the currency was expected as the balance-of-payments surplus was reduced. A stimulus package was also announced by the Republic of Korea to boost investment. It contained measures to extend investment tax credit, expand equipment loans and encourage private bond issues. In addition, several special government funds were created to encourage investment in small and medium-size enterprises.

Southeast Asia*

Economic Growth

Economic growth in Southeast Asia as a whole continued on a steady course, accelerating modestly to 6.4% in 1993 from 6.1% in the previous year. The performance was driven by strong exports, particularly within Asia, and brisk domestic demand. Public investment in infrastructure continued to expand. Private investment was stimulated by a relaxation of monetary policies.

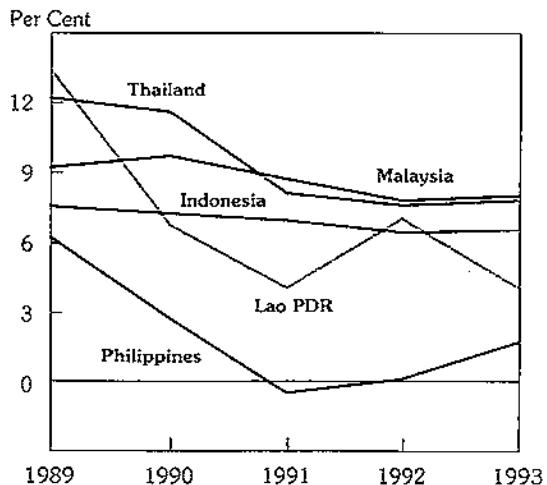
In Indonesia, the growth rate rose slightly to 6.5% on the strength of continued buoyancy of exports. In addition, favorable conditions in financial markets and an easier monetary policy stimulated consumer demand, further encouraging domestic and foreign investments. The relaxation of credit encouraged land-based enterprises, such as real estate developments and shopping malls.

Malaysia's 8% GDP growth was higher than the 7.8% achieved in 1992. The growth was the result of high domestic demand induced by public consumption and buoyant private sector spending, as well as a rapid growth of exports, especially of manufactured goods.

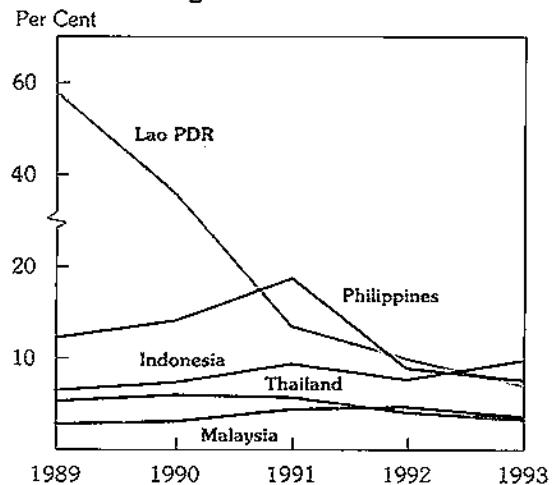
Thailand also registered a high growth rate of nearly 8%,

Selected Southeast Asian Economies

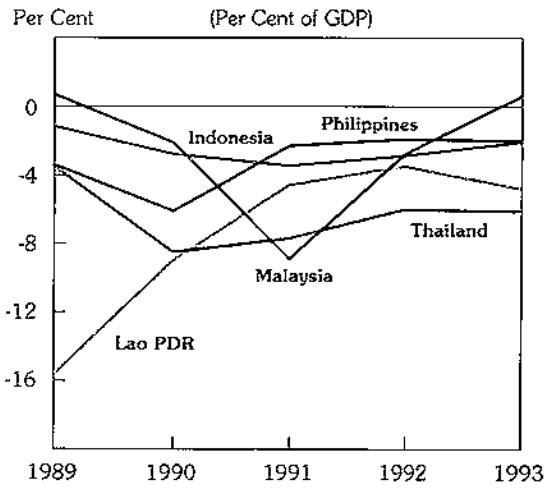
GDP Growth Rates



Changes in Consumer Prices



Current Account Balances



* Indonesia, Lao PDR, Malaysia, Philippines, Thailand and Viet Nam. Singapore is treated under 'Newly Industrializing Economies.'

mainly led by private consumption, investment and tourism. The export sector suffered from the recession in industrialized countries, restrictive trade measures in the European Community (EC) and the United States, increasing competition from lower-wage countries and lower agricultural prices. In addition, the May political crisis affected government spending and private infrastructural investment.

In the Philippines, GDP grew by 1.7%, indicating a recovery from stagnancy in the preceding two years. The GNP growth was higher – 2.3% – reflecting higher remittances from abroad and a decrease in entrepreneurial and property income outflows. The economic recovery occurred despite severe power shortages for most part of the year. Higher investor confidence, a fall in the rate of inflation and lower real interest rates stimulated growth in private investment and public construction.

Viet Nam's GDP growth, also 8%, was only slightly lower than the 1992 rate. Recent policy reforms in agriculture encouraged farmers to expand the cultivated area and increase productivity. Garment exports to EC, resulting from an agreement signed in December 1992, made up for the loss of exports to Eastern Europe and the former Soviet Union. The number of small-scale state-run enterprises under the management of local authorities fell because of reorganization, resulting in a reduction in their combined output growth. However, the output of non-state industries grew faster. Still, the highest growth rate was recorded by the state-owned enterprise sector under the management of central authorities.

The economy of Lao PDR grew by 4% as a result of strong performance in industry and services. In Cambodia, the growth rate declined to 5.7% due to shortfalls in investment and public expenditure.

Inflation

Inflation eased overall, but in some countries pressures were on the rise due to an easing of monetary policies and stronger domestic demand.

Malaysia's lower inflation rate of 3.6% was brought about by an appreciation of the ringgit, tight monetary policy, stricter price checks on retailers and lower import duties on more than 600 items.

Inflation also moderated in the Philippines to below 8% from close to 9% in the previous year. This stemmed primarily from stable oil prices, a generally slow economic recovery and tight monetary policy.

Thailand's 3.3% inflation was the result of lower prices for agricultural products, manufactured goods, and food and beverage items.

Viet Nam was able to bring down to a single-digit level its double-digit inflation rates of previous years through policy improvements and adjustments in supply.

In Lao PDR, the inflation rate was about 7% as a result of a tight monetary policy and price controls.

In contrast, the general price level in Cambodia showed a strong increase. Inflation in Indonesia climbed to nearly 10% owing to a more relaxed monetary policy and increases in the prices of products sold by the state.

External Sector

Benefiting from evolving markets within Asia, Indonesia's exports posted a growth of 10% in 1993. This resulted in a modest improvement in the Indonesian current account deficit.

Malaysia's external sector also performed well with exports growing by about 18% and imports by about 14%. As a consequence, the trade balance became healthier and the current account balance improved to leave a small surplus for the first time in several years. The overall balance-of-payments position improved as well.

In Thailand, lower agricultural prices, higher EC trade restrictions and the threat of Article 301 of the US Trade Act affected the growth of exports. While manufactured exports did well, especially plastic products and electronics, agricultural exports, including rice, tapioca and frozen chicken, fared badly. Accordingly, both trade and current account deficits widened.

In the Philippines, merchandise exports performed better because of a more favorable exchange rate, the modest recovery in the US economy, the appreciation of the Japanese yen, and better macroeconomic conditions. Nevertheless, even though imports were slow because of the general weakness of the economy and the movements of currencies, the trade deficit widened considerably. However, the non-merchandise trade account registered a net inflow of \$4.6 billion. This was a substantial increase over the previous year.

Viet Nam's exports, including crude oil, coal, rice, marine products and textiles and garments, grew by about 15%. But imports, mainly of construction equipment, petrol and oil, and iron and steel, expanded by nearly 40%, compared with about 20% in the preceding year. Thus, the current account deficit widened to \$0.8 billion.

Lao PDR experienced a strong 11% growth in exports. However, imports surged by about 20%, nearly double the export growth rate. In Cambodia, exports declined while imports maintained their upward trend.

Domestic Policies

Policy reforms and prudent economic policies underlie Southeast Asia's resilience in the face of adverse external conditions. In Indonesia, petroleum product prices were increased between 5% and 27% in January, followed by an average increase of 13% in electricity tariffs in February. These price reforms eliminated budgetary subsidies on petroleum products as a group, though cross-subsidies remained. Efforts to restructure commercial banks continued in re-

sponse to prudential regulations introduced during 1992, covering capital adequacy, liquidity, legal lending limits and provisioning for bad debts. Two deregulatory packages in the areas of trade and investment were announced in June and October.

In Thailand, the central bank continued to focus on the deregulation of the monetary system. Prompted by high liquidity, it reduced the discount rate twice, from 11% to 10% in June and then to 9% in September. The purpose was to encourage financial institutions to lower their loan rates and stimulate the economy. Up to 60% of the face value of promissory notes issued by rice exporters through commercial banks for purchasing rice was refinanced. To encourage the use of Thai baht in some neighboring countries, the limit on Thai baht allowed to be carried out or transferred to Lao PDR, Cambodia and Viet Nam was raised to 250,000 baht.

To induce the private sector to expand manufacturing and other businesses to areas outside Bangkok, the definition of rural credit was broadened to include credit granted for manufacturing, mining, infrastructure, educational institutions, health clinics, hospitals and housing. Only new loans granted in 1993 were allowed to be counted towards the target.

The Philippines maintained a tight control on spending and inflation. It sought to increase revenue through better tax administration and collection. A new legislation was passed to create Bangko Sentral ng Pilipinas (BSP), replacing the old Central Bank and relieving the monetary authority of the responsibility to service large debts. Many of these debts had been transferred to the old Central Bank in the last decade as a result of public sector financial restructuring. The new law stipulates that the initial assets of BSP must exceed its liabilities by 10 billion pesos.

The positive net worth should permit BSP to conduct a more independent monetary and exchange rate policy. Also, as part of the final phase of the Government's foreign exchange liberalization program, restrictions on dividend remittances from foreign investments were eased. The holding of foreign exchange by exporters was completely liberalized. These changes were broadly in line with the Government's intention to integrate the domestic economy with international markets.

In Malaysia, economic policies continued to be aimed at supporting domestic sources of growth, encouraging private investment, promoting productivity, diversifying the industrial base and expanding exports. Private expenditure – both consumption and investment – was seen as the driving force behind the economy. Manufacturing and services were envisaged to be the leading growth sectors. The public sector continued to reduce its involvement in production activities that competed directly with the private sector.

In Viet Nam, the Government introduced a series of supplements and amendments to simplify, rationalize and facilitate tax collection, as well as to reduce taxes so as to encourage investment. In the banking area, a people's credit

system was established on an experimental basis to meet the demand for credit, especially from farmers. A new salary structure was introduced to gradually abolish the subsidization scheme and remove the unreasonable provisions of the former system.

Lao PDR continued to direct its reform program towards promoting privatization, improving tax collection and moderating expenditure. In Cambodia, price liberalization, land reforms and the privatization of public enterprises were the major elements of domestic policy.

South Asia*

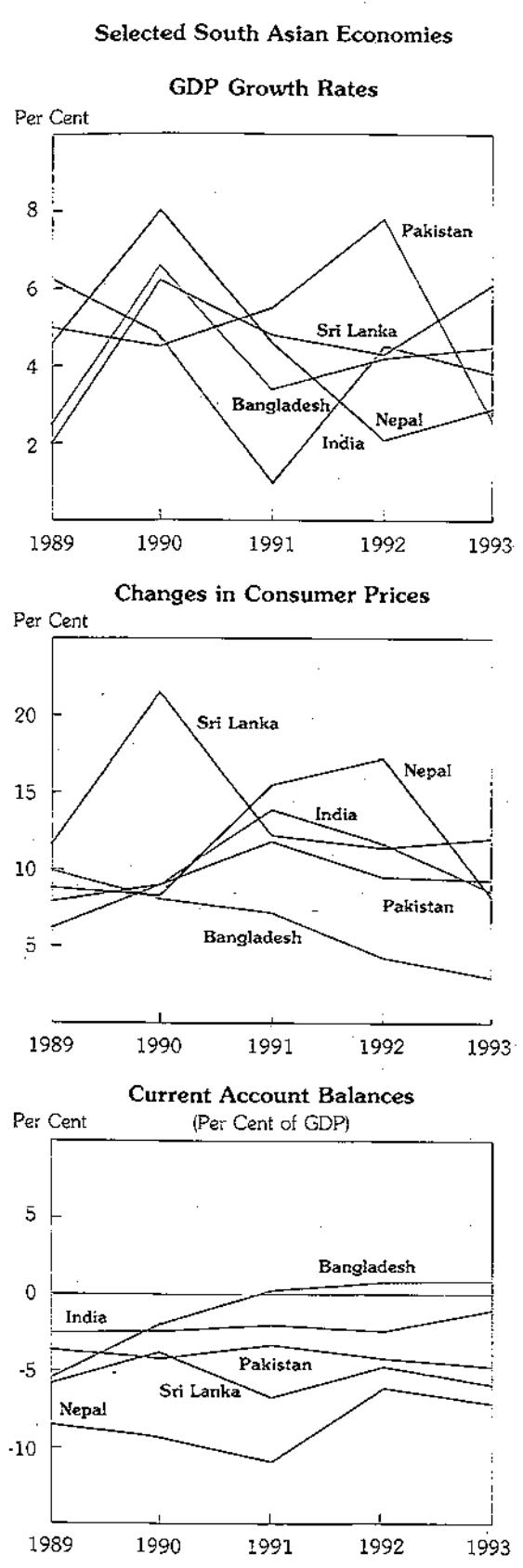
Economic Growth

All countries in South Asia have, in recent years, undertaken wide-ranging reform programs to dismantle controls and remove restrictive policies. However, these reforms have yet to lead to sustained improvement in economic performance. The overall growth rate for the subregion declined to 3.7% from 5% in 1992, although some countries managed to improve their individual performances.

Bangladesh continued its reform program and recorded a growth rate of about 4.5%. This was due to a rebound in the industrial and services sectors. An interesting feature of its economic picture is the role and performance of the agriculture sector. Over the past decade, the share of foodcrops (mainly rice) in the total agricultural output declined to around 28% from almost 40%. Agriculture is no longer the most important sector of the economy. However, rice output has increased considerably. The adoption of appropriate policy measures has led to a major shift towards dry-season winter rice. This has considerably reduced uncertainty in food production and the need for food imports. Both the industrial and services sectors continued to grow and diversify during the year in response to wide-ranging structural reforms. Reforms in the financial sector, particularly banking, and further deregulation of domestic and foreign investment procedures helped tackle problems of low investment and savings.

Sri Lanka improved its basic capacity for growth through far-reaching structural reforms and specific supply side policies. These were reflected in a higher growth rate of about 6%. After a severe drought in the first half of 1992, there was some revival in agriculture, but the main impetus to growth came from manufacturing and services. India's economy grew by 3.8% against 4.6% in the previous year. The slower growth rate was the result of poor performance in industry. Reductions in public capital expenditure and high real interest rates adversely affected investment. The poor

* Afghanistan, Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka.



performance of industry was somewhat offset by improvements in the services and export sectors.

In Pakistan, the pace of growth of about 6% maintained by the economy during the last several years was temporarily interrupted in 1992-93 when GDP growth was around 3%. The sharply lower growth rate was mainly due to a 4% decline in agricultural output. Excessive rains and devastating floods, followed by the attack of a viral disease, led to a 27% decline in cotton crop. The outputs of sugarcane, rice and maize also fell. The floods were expected to create conditions for a bumper wheat crop, but subsequent unfavorable weather conditions affected its yield.

In Nepal, GDP grew by about 3%, an improvement over the previous year. Policy reforms had a positive impact on the country's export performance. Bhutan posted a 5% growth rate despite the constraints of its geographical position, limited industrial base and lack of skilled labor.

Growth in Myanmar was estimated at about 6%, substantially lower than in 1992. No significant improvements were expected since fundamental reforms, including the freeing of the exchange rate, had not been undertaken.

GDP growth in Maldives remained strong at around 6% because of continued buoyancy in tourism.

Inflation

Although inflation is generally a major concern in South Asia and price increases have undermined already low per capita incomes, the situation improved in most countries in the subregion. Both India and Pakistan followed restrained monetary policies and were able to keep inflation at about 9%.

In Bangladesh, tight demand management and a good crop led to a decline in food prices. Inflation was further reduced to 3%. Inflation in Sri Lanka remained at the double-digit level despite tighter monetary controls and better supply of essential commodities. In Nepal, the inflation rate fell to below 8% from over 17% in the previous year, mainly due to a tight credit program.

Fueled by supply and infrastructural bottlenecks, inflation in Myanmar reached about 30%.

External Sector

Since the late 1980s, exports from Bangladesh have undergone a significant structural transformation. In October, the taka became fully convertible on the trade account. With the economy gradually moving from primary to manufactured production, exports are shifting from traditional (mainly jute) to increasingly nontraditional. Nontraditional exports, mainly garments, now account for over two thirds of the country's exports. With exports being relatively good and remittances increasing during 1993, the current account remained stable.

Despite a decade and a half of reforms and the relaxation

of government controls. Sri Lanka's export base remains narrow. Its balance of payments is susceptible to fluctuations in commodity prices. As a result, the current account deficit rose to 6% of GDP.

Nepal has taken steps to dismantle trade barriers, liberalize the exchange rate system and foster the growth of export-oriented industries. There has been a gradual move towards the full convertibility of the Nepalese rupee, the elimination of quantitative restrictions and the reduction of tariff protection. However, as the exchange rate stabilized after the 1992 devaluation, exports declined and imports were slower than expected. This led to a current account deficit of 6.3% of GDP.

Export growth in India has been stimulated by the easing of supply side impediments to industrial growth, lower costs of imported inputs, convertibility of the rupee on trade account and the ready availability of credit to the export sector. With a strong increase in exports and a slowdown in imports, the current account deficit was reduced in 1993 to less than 1% of GDP.

Pakistan's external sector came under pressure during the year from a bad cotton crop, weak demand in the industrial world and intense regional competition. Its total exports fell during 1993. On the other hand, its imports increased mainly as a result of weak domestic supply and large duty-free purchases. As a result, the country's current account deficit as a percentage of GDP increased.

Domestic Policies

The fairly rapid pace of reforms in South Asia continued through 1993. The directions of Indian economic policy were reaffirmed in the 1993 budget, which increased incentives for investment and exports. Although there was some slippage, the Government deficit was contained at about the previous year's level. A series of financial sector reforms were implemented. These included a lowering of cash and statutory liquidity reserves. Bank supervision was strengthened. On the trade front, import tariffs were substantially reduced and the rupee was made fully convertible on the trade account. This provided an added stimulus to exports. However, India's trade regime, particularly with regard to consumer goods, remained protective. Public enterprise reform was perceived as another area where further steps would be necessary in order to improve productivity. In the financial sector, the process of liberalization would have to be continued.

Nepal announced major reforms in trade, industrial and foreign investment policies in 1992 and 1993. These were aimed at improving resource mobilization, increasing efficiency and enhancing the international competitiveness of the economy. A major task was the dismantling of cumbersome procedures for investment, particularly for foreign investors, and industrial licensing. Changes were made to the tariff structure and imports were further liberalized. Incentive

schemes were introduced to encourage the growth of manufactured exports. However, the pace of implementing these reforms remained slow.

Although Sri Lanka had been deregulating and restructuring since the late 1970s, it was only recently that more important reforms in the financial sector, trade and industry were introduced. Both fiscal and monetary policies are now being geared towards greater efficiency and open-market operations. The size and influence of public enterprises are being reduced through a program of privatization and restructuring. In 1993, the tax structure was further reorganized, financial intermediation was strengthened, and various administrative and legal barriers were removed. External policy reforms included the liberalization of the exchange rate system and the general scaling down of protection to domestic producers.

Policy reforms in Bangladesh continued through 1993. These included further changes in the financial sector and in industrial and trade policies. The reforms aimed at a better monetary and fiscal management, a more flexible and market-oriented interest rate structure and the development of the capital market. A Capital Market Development Committee was established to improve the regulatory mechanism and the legal and institutional framework controlling capital market operations. The revised industrial policy emphasizes the promotion of the private sector and provides unequivocal support for foreign investment. It also supports a reduced government role in industry. On trade, the strategy seeks a shift from import substitution to export promotion. In 1993, the tariff structure was overhauled and import restrictions were relaxed. Exchange rate management was improved to increase competitiveness.

Pakistan underwent several political changes during the year. These included four changes in government and a general election. The caretaker government that ruled between July and October was responsible for a number of reforms that were expected to be ratified by the newly elected government. Among these were the devaluation of the Pakistani rupee, a new trade policy, tax measures to improve the fiscal situation, increased petroleum prices, reductions in the tariff structure, the imposition of a wealth tax on agriculture and various administrative measures to improve the efficiency of the financial sector, including the recovery of loans. As a result of the political uncertainty during the early part of the year, the investment climate created by the policies of deregulation and liberalization over the past few years suffered a setback. Also, imports reached very high levels due to the Government's weak demand management policies, and the budget deficit increased. The policies undertaken by the caretaker government helped stabilize the situation, restored investor confidence and put the economy back on track. The new Government has continued to pursue measures to bring about financial discipline, legislate wealth tax in agriculture, implement tariff reforms and strengthen the fiscal sector.

People's Republic of China and Mongolia

Economic Growth

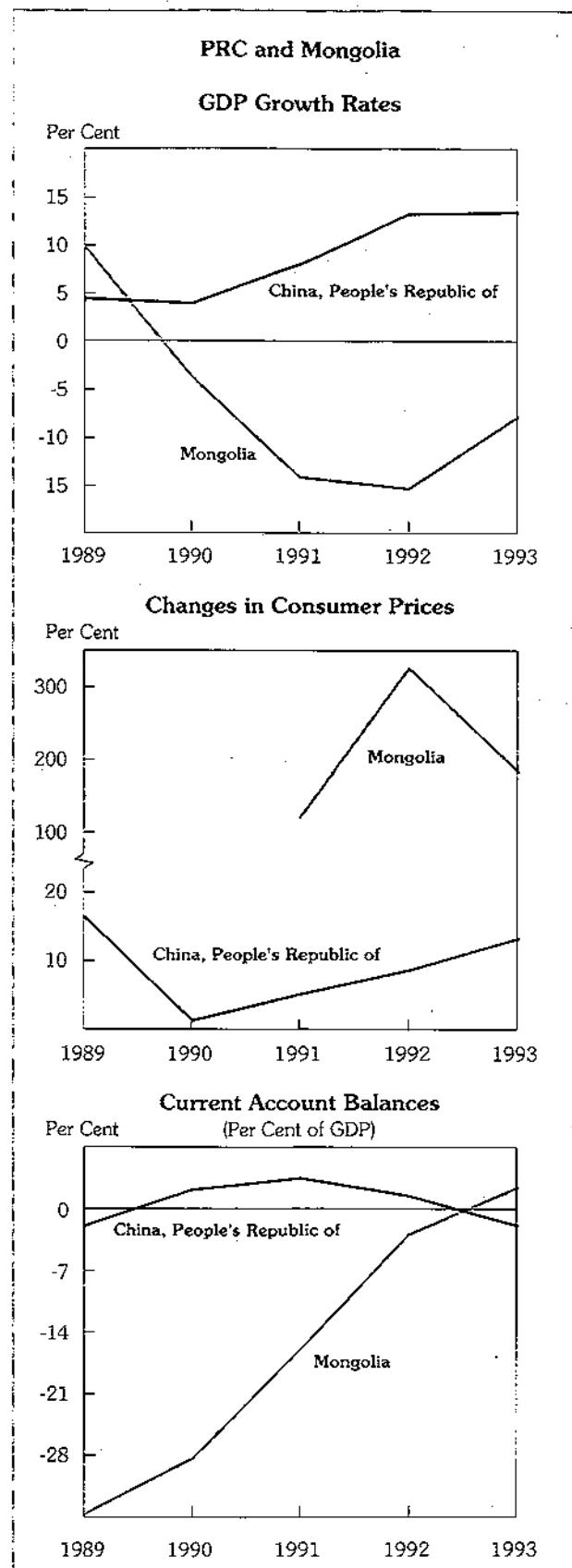
Continuing its double-digit growth pattern, PRC's GDP grew by an estimated 13.4% in 1993. Although the economic boom increased the national income and improved living standards, problems of overheating emerged, such as high inflation, excessive monetary expansion and speculative investment. Bottlenecks appeared in key sectors, such as energy, transport and communications. Because of the overheating of the economy, the Government adopted a program in mid-1993 to improve financial management, curb speculative investment and eliminate non-priority projects. These measures soon achieved some of the desired results. Industrial production slowed, the foreign exchange swap rate stabilized, bank deposits of urban and rural residents showed a fair increase and investment, particularly in real estate and development zones, cooled down.

The agriculture sector grew by about 4%. While grain output remained at about the same level as in the previous year, the animal husbandry and fishery subsectors achieved nearly double-digit growth rates. Fueled by high investment and consumption, industrial output grew by an estimated 21%, slightly higher than in 1992. The non-state sectors continued to be the main driving force behind the industrial growth. Collectively owned and joint venture enterprises, as well as the private sector, outperformed state-owned enterprises. The services sector grew by about 9% as the real estate sector slowed down considerably as a result of the Government's austerity program in the second half of 1993.

Mongolia continued to press ahead with the task of transforming from a centrally planned to a market economy. Because of the breakdown of the Council for Mutual Economic Assistance trading system and the cessation of financial assistance from the Council, the task turned out to be more difficult than originally anticipated. Real GDP was estimated to have registered a further decline of about 1% in 1993. However, there were some improvements in fiscal and monetary management. Better fiscal discipline led to sharp reductions in government expenditure and a gradual improvement in revenues. Indirect instruments of monetary control were strengthened. While new credit to the Government from the banking system declined, credit to the private sector rose.

Inflation

With economic growth running in double digits, inflation accelerated in PRC, particularly in large and medium-size cities. The expansion of investment (especially real estate investment) and industry caused a rapid rise in raw material prices. Inflation was also fueled by rising real wage rates. Although inflation remained a concern, the program adopted



in mid-year should slow down the rate of inflation.

In Mongolia, inflation declined to about 183% in 1993. There were signs that the problem of inflation was being brought under control. Monetary policy was tightened. The "one time" effects of price and foreign exchange rate liberalization largely took place in 1992 and 1993.

External Sector

The external sector of PRC's economy remained strong in 1993, with exports, in value terms, rising 5.5%. Imports, on the other hand, surged by 28%, mainly because of higher economic growth, relaxation of import controls and reforms in the import management system. As a result, the trade account was about \$9 billion in deficit, PRC's first deficit since 1989. Foreign direct investment continued to pour in. Twenty-eight cities along the Yangtze River and 13 border cities were recently opened to foreign investors along with new sectors such as energy, transport, retail sales and real estate.

In Mongolia, export growth was small despite some progress in establishing new markets. Imports were somewhat lower. As a result, the current account balance improved to register a small surplus.

Domestic Policies

Reforms to improve macroeconomic control, fiscal and financial policies, state-owned enterprises and trade were the centerpiece of PRC's policy agenda in 1993. The People's Bank of China was transformed into a real Central Bank. A regulatory framework was established for commercial banks and nonbank financial institutions, as well as for the creation of policy-oriented banks. These reforms will help remove directed credit from the banking system. To strengthen the fiscal position of the central government, a number of fiscal reforms were initiated. These equalized tax burdens for enterprises, simplified the taxation system and established a reasonable fiscal balance between the central and local governments. Enterprise reforms sought to ensure enterprise autonomy, introduce an experimental shareholding system, enforce bankruptcy law and encourage mergers of enterprise groups. Some small and medium-size state enterprises were privatized on an experimental basis. Reforms in the external sector sought to increase the transparency of the trade regime and its compatibility with the General Agreement on Tariffs and Trade. Customs tariffs were lowered on 3,771 items, reducing the trade-weighted average tariff level by 7.3%. The Government announced that mandatory import plans would be abandoned and administrative intervention in trade would be further reduced. By the end of 1993, the Government had speeded up the pace of reform, introducing new measures for agriculture, finance, taxation, banking, investment, foreign trade, social security and housing. It decided to assert control over the economy through

macroeconomic instruments instead of administrative orders.

In Mongolia, progress was made towards a structural transformation, particularly with regard to price liberalization, privatization of assets and the establishment of a legal framework to facilitate private sector activity. The prices of most goods and services were allowed to move in line with market forces and the control planning system was eliminated. Foreign trade was liberalized and import duties were unified at a low rate. The monopoly position of foreign trade corporations was eliminated. A floating exchange rate system was adopted in May.

Pacific Island DMCs*

Economic Growth

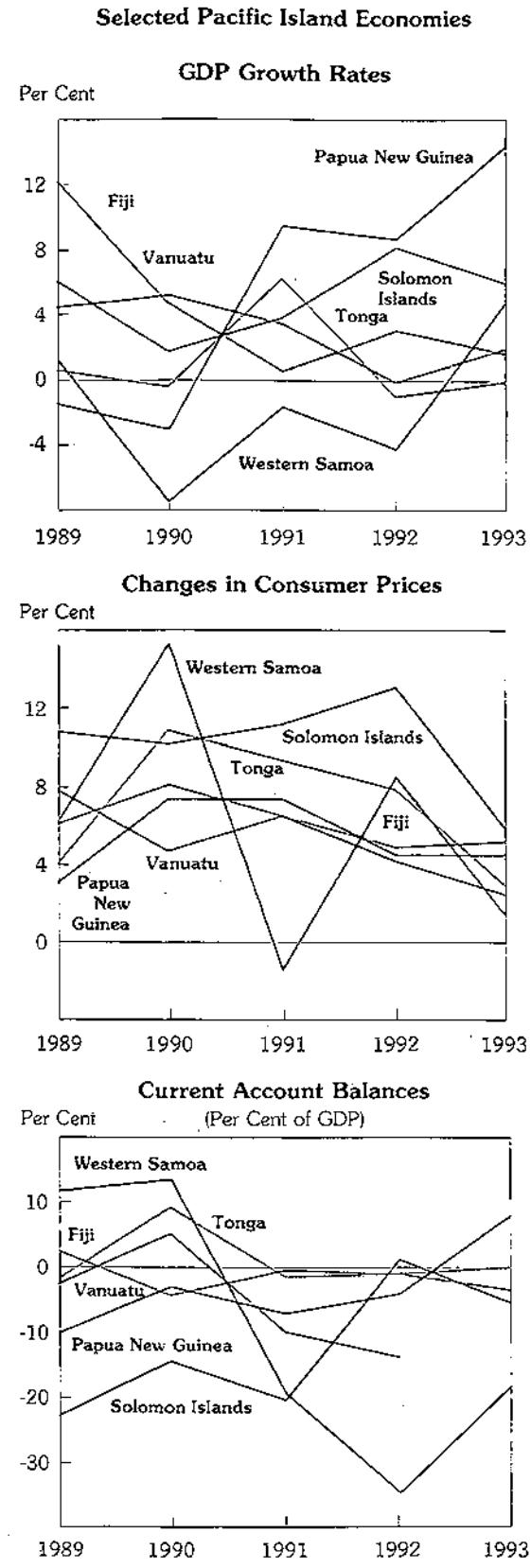
In spite of their geographic disadvantages of size and location, several of the Bank's Pacific island DMCs (PIDMCs) had respectable economic growth in 1993. While Solomon Islands and Western Samoa posted real growth of 5% or more, GDP in Papua New Guinea grew by a remarkable 14.4%. Cook Islands and Fiji achieved growth rates of 1.7% each, while Kiribati grew by nearly 3%. Despite their modest growth, they managed to improve their real per capita incomes. National income data had not yet been collated for the Federated States of Micronesia, but indirect evidence suggested that its real per capita income might have fallen slightly in 1993. Tonga's economy suffered a reversal.

However, PIDMCs' economic performance in 1993 might have been exaggerated by reconstruction and the return to normal levels of activity following the devastating effects of cyclones and other natural disasters. Western Samoa's nearly 5% growth, while impressive, was insufficient to restore the real per capita income to what it was at the beginning of the decade.

External Sector

For many PIDMCs, the income and services account dominates trade flows. With the exception of Fiji, the PIDMCs enjoy significant flows of official development assistance. Private income remittances are large for all economies except Marshall Islands, Federated States of Micronesia, Papua New Guinea and Solomon Islands. Indeed, in most PIDMCs, per capita GNP dwarfs per capita GDP. Tourism provides another important source of foreign exchange for many of these countries. The GDP growth in Cook Islands in 1993 was, at least partly, generated by tourism following recent improvements in air links. There was some revival of tourism in Fiji, while Western Samoa stood to benefit from an

* Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa.



expansion of the route network of its national airline.

Most PIDMCs managed to improve their current account balances in 1993, but they cannot afford to be complacent about their trading positions.

Domestic Policies

Many of the PIDMCs continued to pursue fiscal policies that might turn out to be unmanageable and inflationary. Public sector recurrent expenditure on wages and salaries sometimes accounted for more than 50% of GDP, enough to stifle private sector initiatives, and the return from public sector investment expenditures remained poor. However, Tonga and Vanuatu achieved some success in moving towards more fiscal prudence. Solomon Islands and Western Samoa committed themselves to greater fiscal discipline in the coming years.

Outlook for 1994

World economic growth is likely to improve only moderately in 1994 to about 2%. While the worst part of the recession in Europe and Japan is now over and there will be a return to positive growth, continued poor performance through the end of 1993 reduced the likelihood of a strong revival in the industrial economies. Aside from the United Kingdom, where growth will be about 3%, most countries in Europe are expected to grow between 2% and 3%. A somewhat weak performance is likely for Japan. Factoring in a possible 3.2% growth in the United States and the continued improvement in Australia and Canada, growth in the industrial world should move up to 2%. This will be a better performance than in 1993 but will still be below the trend rate of output increase over the past two decades.

The revival in the industrial countries, weak though it may be, should have some positive effects on commodity prices and import demand from developing countries. At the same time, inflation and interest rates will continue to be at low levels. Nevertheless, developing regions are not expected to improve their performances significantly in 1994. In Latin America, while Mexico will accelerate, Argentina, Brazil and Venezuela will grow more slowly. Africa may do somewhat better on the strength of expected improvement in North Africa, which accounts for 50% of Africa's GDP. Prospects in the Middle East will be constrained by low oil prices.

The outlook in Eastern Europe has improved. Reforms are expected to improve efficiency and productivity. In the former Soviet Union, conditions will improve but only slowly. The decline in output is expected to be much less than in the previous three years.

Despite the expected strong performance by the NIEs and Southeast Asia, an anticipated fall in the rate of growth of PRC to more sustainable levels will moderately dampen aggregate growth in developing Asia. Economic growth will

continue to be influenced by infrastructure bottlenecks particularly power shortages. Some DMCs are experiencing chronic shortages of skilled and professional workers. Nevertheless, prospects for the region continue to be bright. The economies have matured and progressed towards policy reforms which improve efficiency, increase competition and boost the supply of consumption and investment goods. These will be facilitated by a growing supply of external finance from private sources, particularly in the form of foreign direct investment, bond subscriptions and portfolio flows.

As a group, the NIEs should be able to grow between 6% and 7% in 1994. Hong Kong's economy, tied closely to that of PRC, is projected to continue to perform strongly. Singapore will benefit from the development of high-technology products (such as computer disk drives), the strength of its services sector (particularly financial services), as well as strong growth in neighboring economies. Republic of Korea and Taipei, China will continue to adjust to the structural reforms required to make the transition to technology and capital-intensive product lines, although previous investments in restructuring will begin to pay off.

Inflation in the NIEs will depend on a number of factors, including the macroeconomic policy stance, movements in exchange rates, domestic demand pressures, and wage and productivity increases. In the Republic of Korea, inflationary pressure is mounting and could pose a threat to the Government's five-year economic reform plan. In Taipei, China, inflation is expected to moderate somewhat in 1994 as the economy slows a little. A stable or slightly appreciating exchange rate will help, together with lower real prices for imported fuel and some primary commodities. Inflation in Hong Kong should ease further to about 8% as a result of recently imposed restrictions on mortgage lending and some corrections in the residential property market. In Singapore, inflation is expected to drift upward to 4.5%, largely because of the one-off effect of a goods and services tax to be levied in April 1994.

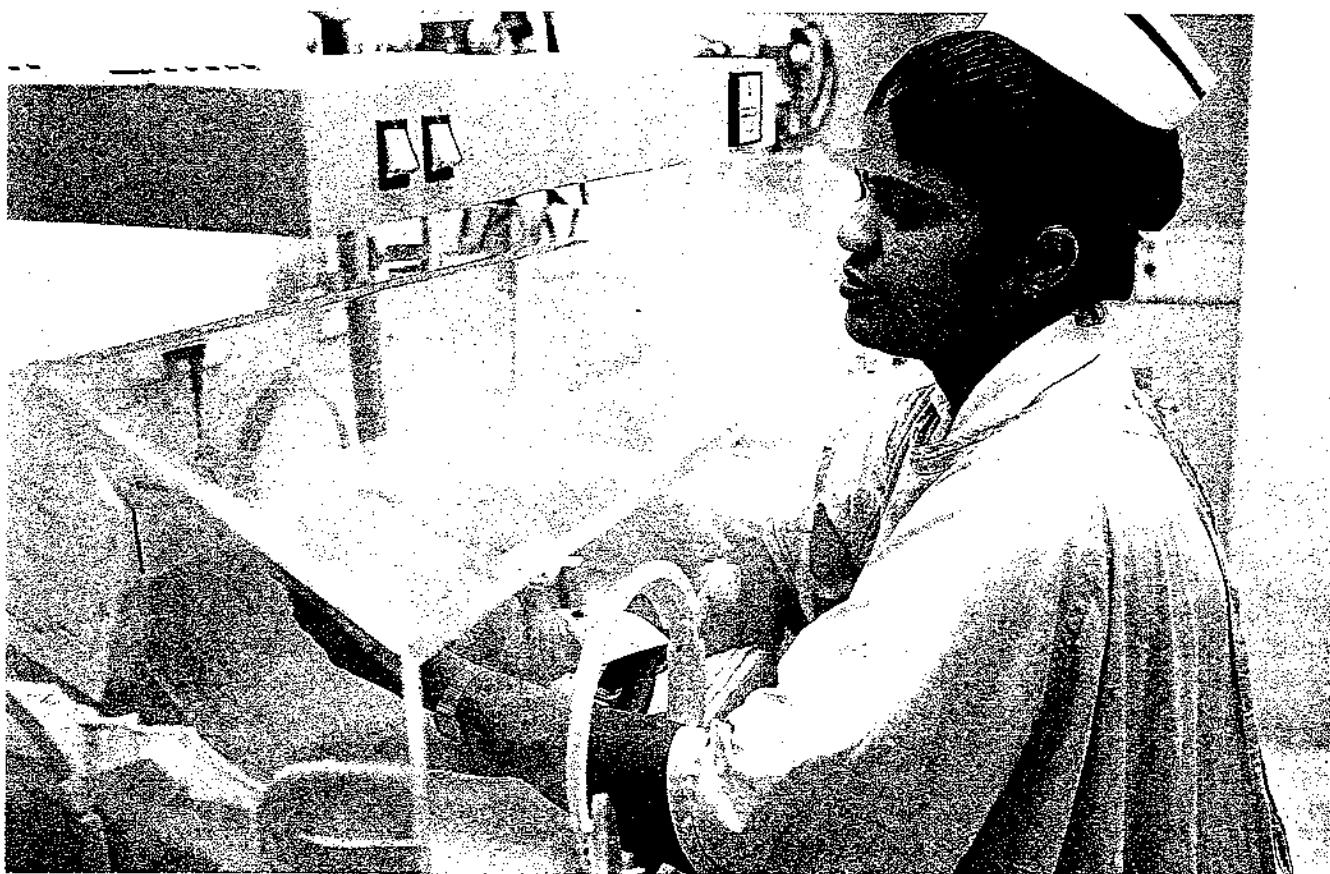
The NIEs are projected to improve their trade performance moderately as the industrial world recovers from recession. Hong Kong's trade will continue to benefit from the rapid growth of PRC's economy, so a 16% growth in exports is expected. For the Republic of Korea, exports are forecast to improve somewhat, mainly due to the appreciation of the Japanese yen. Exports from Singapore are expected to grow by around 10% in 1994, mainly due to higher sales of electronics and industrial machinery. Exports from Taipei, China are expected to remain sluggish, growing at 9%. Imports into Hong Kong and Singapore are likely to grow by 20% and 10%, respectively, due to strong domestic demand. In Taipei, China large-scale investments in infrastructure construction will lead to a higher rate of imports, while imports by the Republic of Korea will show between 7% and 8% growth, against 1% in 1992. Only a small change in the NIEs' consolidated current account

balance is projected for 1994. An improvement in the Republic of Korea's balance-of-payments position will be offset by a deterioration in that of Taipei, China.

Economic growth in Southeast Asia as a whole is expected to be boosted by a stronger export growth and an increase in domestic demand. In most Southeast Asian countries, public investment will continue to expand to reduce bottlenecks in infrastructure, while private investment will be encouraged by a relaxation of tight monetary policies. Malaysia, Thailand and Viet Nam are likely to achieve the most rapid GDP growth of over 8% among the Southeast Asian countries. Foreign investment applications have been brisk in Thailand and manufacturing production has been growing at double-digit rates. The Malaysian economy, however, will be constrained by infrastructural bottlenecks, the need to maintain anti-inflationary policies and a shortage of skilled personnel. Indonesia will improve its economic growth slightly in the next two years, given favorable export and financial markets, and an easier monetary policy which should stimulate consumer demand and investment. In the Philippines, progress made in 1993 toward resolving the power crisis, reorganizing the Central Bank and improving the regulatory and trade environment should provide a firm basis for a more rapid economic expansion in the next two years. Real GDP growth is therefore forecast to recover to 4% in 1994. Both Lao PDR and Viet Nam are expected to show healthy economic growth rates of between 6% and 9% as reforms and foreign investment inflows continue. For the Cambodian economy, much will depend on the success of the Government's reform efforts.

There will be some upward pressure on prices in Thailand coming from an easing of monetary policies. Adjustments in fuel prices and salary increases for government employees could also be important inflationary factors. But this could be countered by low fuel and commodity prices, satisfactory growth in agricultural production and the generally low rate of inflation and interest rates in world markets. Inflation is expected to decline in Indonesia while it will continue to increase moderately in Malaysia as the economy maintains its high growth rate. In the Philippines, inflationary measures could be generated as the economy begins to recover and the peso is further depreciated. In Cambodia, Lao PDR and Viet Nam, inflation is expected to moderate further.

Exports from Southeast Asian countries are expected to remain relatively buoyant in 1994 as demand in major markets grows somewhat and intraregional trade continues to expand. While a 10% to 16% export growth is projected for most countries, Viet Nam could expect a 21% rise. Imports are forecast to be generally on the 1993 level, but Viet Nam will be an exception, where normalization of trade relations and the removal of the US embargo should boost imports of capital goods. The current account balances of Indonesia, Malaysia and Thailand are expected to improve somewhat, while Cambodia, Lao PDR, Philippines and Viet



THIS incubator and other modern medical equipment at a Madras hospital were purchased under a subloan channeled through the Industrial Credit and Investment Corporation of India (ICICI). The Bank has so far provided ICICI with loans totalling \$220 million for onlending to private sector projects.

Nam will suffer a further deterioration.

Though South Asia will be constrained by fiscal and balance-of-payments difficulties and a weak infrastructural base, economic growth in the subregion could increase to about 5%. In Bangladesh, where financial, trade and industrial policy reforms will benefit the manufacturing sector, GDP in 1994 could expand by 5%. Economic growth in India is projected to accelerate in the medium term as policy reforms take effect. After the lowest growth in a decade as a result of a disastrous cotton crop and slow export earnings, Pakistan needs to address a number of macroeconomic issues, including a large budget deficit and accelerating inflationary pressures. The indications are that the cotton crop in 1994 will not be as good as earlier projected. Overall economic growth, therefore, would be between 5.5% and 6%. The prospects for Sri Lanka are also generally favorable in view of its progress in structural adjustment, and a 6% GDP growth is forecast. The export-oriented, labor-intensive manufacturing sector will sustain industrial growth, while rising trade and tourism should stimulate the services sector. Policy reforms and a rebound from the slow growth in 1993 will push Nepal's growth rate to about 6% in 1994. No significant improvement is expected in Myanmar.

Inflation will remain a problem for some South Asian countries. The adverse short-term price effects of the ongoing and contemplated economic reform programs and, in some cases, the inability to curb monetary and fiscal expansion will be major concerns. In Bangladesh, expansion of credit to the private sector is expected to push inflation up a little. However, the rate of inflation is not likely to exceed 3%. In India, however, inflation will be contained at around 8% because of favorable supply-side responses to reforms and tight monetary and fiscal policies. In Pakistan, it is expected that inflation, as reflected by the consumer price index, will be around 9%. Nepal and Sri Lanka can expect inflation to stabilize or abate somewhat as a result of improved foodgrain supplies and effective macroeconomic policies. In the absence of significant macroeconomic reforms, the rate of inflation is expected to continue to accelerate in Myanmar.

Foreign trade prospects will improve somewhat in South Asia. In India, changes in the policy environment should help exports grow by about 15%. Bangladesh will further improve its 1993 record. Sri Lanka will recover further from the trough it reached in 1992 to maintain growth. With increasing foreign direct investment and expansion of export industries, import growth in the subregion

is also expected to remain high. Imports will continue to grow moderately in Bangladesh and more rapidly in India in response to ongoing reforms. In Pakistan, imports may decline by about 4% on gross basis due to adverse terms of trade and recession in the textile industry affecting machinery imports. For the subregion as a whole, there will be improvements in trade and current account balances as export growth continues to outpace imports and payments on the services account improve. The exception will be Myanmar, where export growth will be limited by infrastructural constraints and an exchange rate structure which deters export promotion.

The economic boom in PRC is projected to continue, although some slowdown is expected as a result of bottlenecks in transportation, energy and raw material production along with tight monetary policy. Growth will remain close to the double-digit level, perhaps down a few points from the remarkable rates registered in 1992 and 1993. Inflationary pressures have been building up for some time, but are being dealt with through higher interest rates, controls on off-balance-sheet lending by commercial banks and increased restrictions on spending by nonbank financial intermediaries. Despite these controls on credit, the booming investment

sector and robust consumer demand suggest that inflation will remain at a double-digit level. In foreign trade, import growth will slow down and exports will pick up again. However, trade and current account deficits are expected to continue. The unification of the official and swap market rates will result in an effective devaluation of the yuan.

Some of the PIDMCs will find it difficult to sustain their growth at 1993 levels because the growth during the previous year was due to exceptional circumstances, particularly a recovery from natural disasters. Papua New Guinea's growth, for example, was to a large degree attributable to the development and exploitation of its oil resources at Kutubu. Oil production peaked in 1993 and is now expected to taper off. As a consequence, aggregate income growth will be arrested and could even be reversed in 1994. Although the contraction of the oil sector should lead to a depreciation of Papua New Guinea's real exchange rate, it is uncertain whether resources can be efficiently redirected to other non-resource-based exporting activities. Much of the infrastructure required to support private investment is missing, real wages are too high and inflationary pressures are kept up by the currently unsustainable levels of the public sector deficit.

BANK PRIORITIES

THIS CHAPTER discusses the development objectives and thematic priorities of the Bank's operations. These objectives and priorities follow from the process of strategic planning the Bank initiated in 1991.

The role of strategic planning in the Bank has been to define the medium-term strategic agenda and to set the course for operational priorities. The strategic agenda involves promotion of development, resource mobilization and regional cooperation. The developmental role of the Bank has five main objectives: promoting efficient economic growth, reducing poverty, protecting the environment, supporting population planning and enhancing the role of women in development.

In pursuing these objectives, the Bank emphasizes private sector development, public sector efficiency, human resource development, improvement in the status of women, population planning and natural resource management. These objectives and thematic priorities are relevant for all sectors of the Bank's operations.

In addition, the Bank will increasingly address social concerns and environmental problems. It believes that resolving these concerns will promote growth. The Bankwide goal over the medium term is to achieve a 50/50 mix between traditional growth projects and projects/programs aimed at poverty reduction, human resource development, women in development and environmental protection.

The focus of strategic planning in 1993 was on the achievement of these objectives. It was decided to sharpen the country focus of all Bank activities. The intention was to be more responsive to DMCs' needs, to increase the relevance of Bank operations and to improve the quality of Bank assistance by incorporating the lessons of past experience. The planning process has been designed in a manner that would define the distinctive role of the Bank in each DMC.

The following sections provide brief descriptions of the Bank's development objectives.

Social Dimensions

The Bank's social concerns arise from the recognition that people-oriented investments often yield returns far exceeding those gained from investments in physical

infrastructure, industry, energy and agriculture.

Four social dimensions have thus been identified for incorporation into the Bank's operations. These are poverty reduction, women in development, human resource development (including population planning) and protecting vulnerable groups from likely adverse effects of development interventions. The first three dimensions are also the strategic objectives of the Bank.

The process of integration was intensified in 1993 with the publication of the *Guidelines for Incorporation of Social Dimensions in Bank Operations*. Developed by the Social Dimensions Unit, the guidelines are aimed at Bank staff and consultants as well as planning and executing agencies in DMCs. In addition, manuals/handbooks were prepared to show how best social dimensions could be incorporated in project, macro and sector planning. The database on project social dimensions was broadened. A regional technical assistance was approved to analyze the sociocultural characteristics of the Pacific island DMCs.

The following paragraphs discuss the Bank's role in poverty reduction and women in development. The human resource development aspect is discussed under the section on Social Infrastructure.

Poverty Reduction: About two thirds of the world's poor live in Asia. Thus poverty reduction remains the most formidable development challenge facing the Bank. In response, the Bank has sought to pay increasing attention to projects that create greater income and employment opportunities for the poor and improve their access to basic social services, such as education and health care. Small farmers, landless laborers, marginal fishermen, upland tribal communities and the urban poor are among the targets of such projects.

In 1993, 16 of the Bank's projects had poverty reduction as a primary or secondary objective. They were mostly in the agriculture and social infrastructure sectors.

For example, the Second Pahang Barat Integrated Agriculture Development project in Malaysia was designed to increase incomes and productivity of some 10,000 rural families in an area where 75% of the population is said to be poor. The Khulna-Jessore Drainage Rehabilitation project in Bangladesh was designed to benefit about 125,000 rural

households through better flood control, land rehabilitation and improved management of fisheries. The Employment Generation project in Mongolia was meant to promote microenterprises in a bid to mitigate the unemployment problem.

Seventeen loans had human resource development as their primary or secondary objective. The loans were for education, population and family planning, and urban development. For example, the Non-Formal Education project in the Philippines would benefit illiterate adults and out-of-school youth in the project area, raising their income-earning ability.

Poverty reduction was also the subject of a number of studies supported by the Bank. Among them were two seven-country studies of rural and urban poverty conducted by the Bank's Economics and Development Resource Center. A Round Table on Poverty Reduction Policies and Strategies in India was held in Bangalore. While reaffirming the need for broadbased economic growth, the Round Table stressed the importance of targeted anti-poverty programs. The Bank also participated in a number of regional meetings as part of its commitment to a collaborative approach to poverty reduction in the region.

Women in Development: The Bank is committed to improving the lot of Asian women. Inequalities faced by

women are varied and marked across the region. For example, literacy rates for females remain as low as 16% in some countries and only 10% of women participate in the formal labor market.

Women-in-development (WID) concerns and gender analyses are sought to be integrated into country operational strategies and programs. WID country profiles and specific WID strategies are an essential part of this exercise. Two new publications came out during the year, reflecting the Bank's growing activities in this area. One was *Women in Development: Issues, Challenges and Strategies in Asia*; the other was *Gender Indicators of Developing Asian and Pacific Countries*, which provides an extensive database on the socioeconomic situation of Asian women. A supplementary technical assistance project was approved during the year to improve the database.

Seven of the Bank's 1993 projects were focused specifically on WID. These included the Microcredit project for Women in Nepal, which would provide skills training to beneficiaries and credit to start small businesses. The Middle School project in Pakistan would upgrade nearly 1,000 primary schools to middle schools and reserve about 65% of additional places for girls. The Secondary Education Development project in Bangladesh was designed, among other things, to increase female school enrolment and train female teachers. The Population and Family Planning project



COMMUNITY leaders tell a group of women beneficiaries in Nepal how their incomes could be increased through savings and livelihood activities under the Third Small Farmers Development Project. The Bank has channelled a \$30 million concessional loan for the project through the Agricultural Development Bank of Nepal.

in Papua New Guinea and the Population project in Pakistan were designed to boost the demand for family planning services and strengthen health services delivery systems, especially for women. Although not specifically focused on WID, the second Pahang Barat Integrated Agriculture Development project in Malaysia was intended to upgrade the technical and managerial skills of 1,500 women. The project would also benefit 2,500 women's groups through microcredit schemes.

A number of technical assistance projects were approved to support women's affairs institutions, socioeconomic databases, group formation and studies on health and nutrition. A regional technical assistance was approved in preparation for the Fourth World Conference on Women.

Social Infrastructure

Accessibility, quality, equity, efficiency and financing are the major issues which the Bank addresses in its investments in social infrastructure. Its objectives in respect of the various social infrastructure subsectors are described below. These objectives were reflected in the social infrastructure projects approved in 1993 (see under Sectoral Review in the "Bank Operations" chapter).

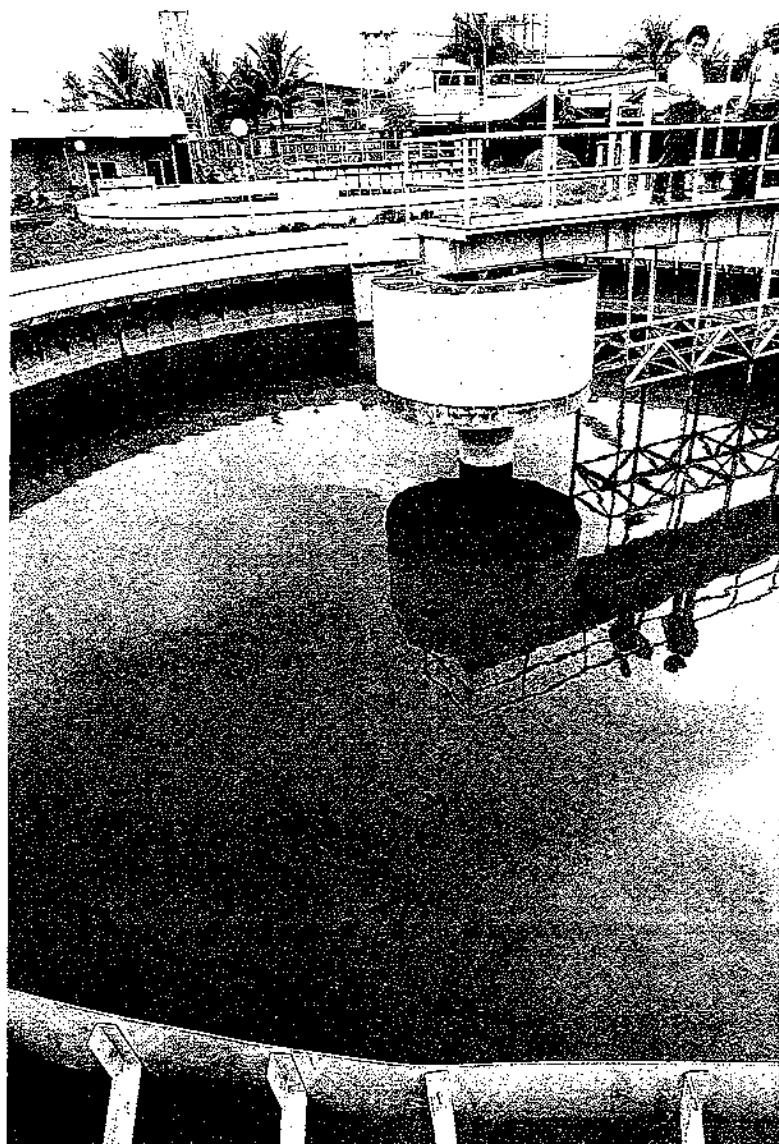
Education: Improving the quality and relevance of education has become increasingly important for the Bank, as is the question of equitable access. Greater attention is being paid to strengthening the DMCs' institutional capacities in education. The composition of education projects is gradually shifting from civil works and the provision of equipment towards such "software" aspects as curriculum review and human resource development.

The Japan-ADB Scholarship Program, which provides an important support for human resource development in the DMCs, is funded by the Government of Japan. The program provides scholarships for postgraduate study in management, technology and other development-related fields at leading educational institutions in the region. During 1993/94, the Government of Japan contributed about \$2.4 million under the program to finance 83 new and 49 continuing scholarships.

Health and Population: Improving primary health care and family planning services in remote rural areas is the Bank's basic objective in the health and population subsectors. It seeks to ensure the effectiveness of health referral networks. Questions of equity, accessibility, quality, efficiency and adequate financing are emphasized. Whenever possible, non-governmental organizations are involved in designing and implementing projects. In 1993, the Bank began to update its policy papers on population and nutrition to guide future sectoral dialogue and project formulation.

Water Supply and Sanitation: Increasing the supply of and access to safe water, ensuring proper management of water resources and improving sanitation facilities are the Bank's goals in the water supply and sanitation subsector. These objectives are important for improving public health, developing human resources, reducing poverty and enhancing the quality of the environment.

Urban Development and Housing: The Bank's urban development projects are aimed at improving urban infrastructure (e.g., water supply, drainage, sewerage, solid waste management, urban transportation and urban housing) and helping DMCs cope with rapid urbanization. The Bank recognizes that urban centers have become the economic



A WASTEWATER treatment facility in Bandung, Indonesia. The Bank has provided an \$8.4 million loan to Indonesia for the Water Pollution Control Project.

engines of rapid economic development in the region. It believes that improving the living conditions of the urban poor should be an important social consideration of urban development projects.

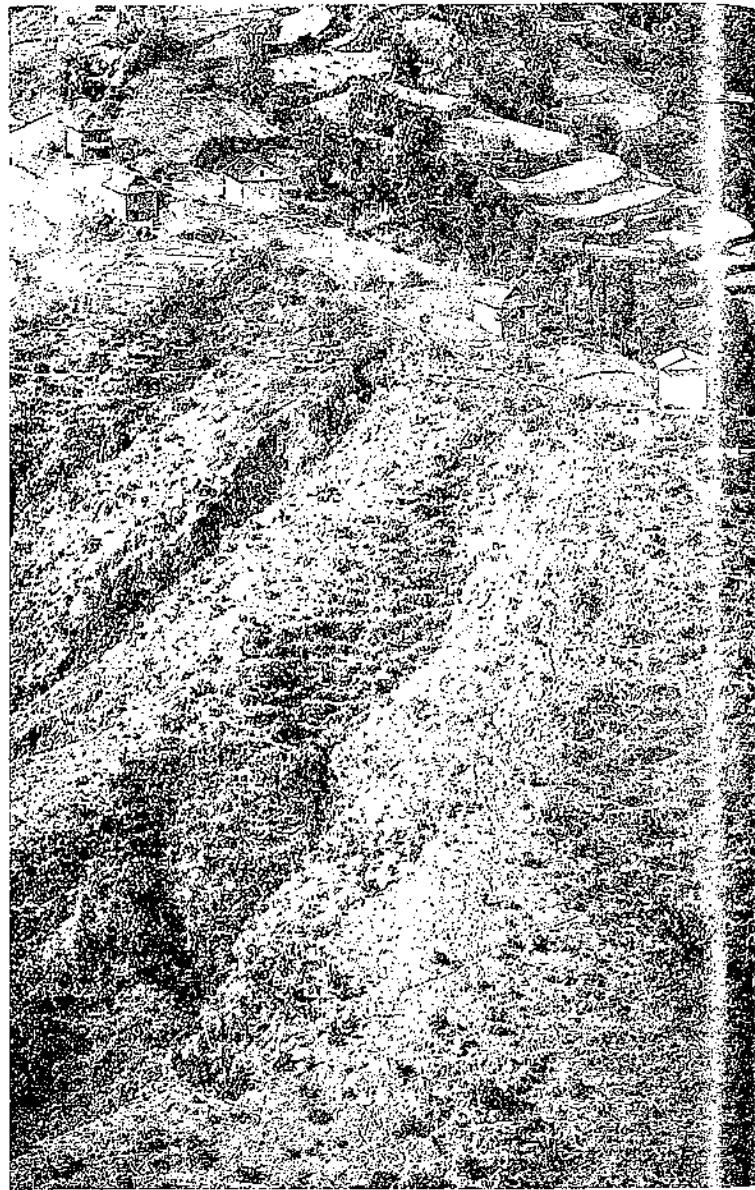
Environment and Natural Resource Management

As the Bank moves towards the next century, complex environmental challenges are emerging. The Asian and Pacific region is characterized by high population growth, which adds to the pressure on the natural environment. Poverty is widespread. About two thirds of the world's population living below the poverty line are in this region. Urbanization and industrialization have led to high levels of pollution and adverse social changes. At the same time, the demand for financial resources for environmental investment is rising as environmental awareness in DMCs grows. This demand coincides with a growing scarcity of official development assistance and the insistence of the donor community that such assistance be more sharply focused.

The challenge before the Bank is to draw up a strategic program that will promote environmental lending, undertake environmental review of projects and support country operations, build up staff capacity and strengthen institutions in DMCs. While the Bank's environmental review function was earlier focused on minimizing the adverse environmental impacts of a project or program, the effort now will be to enhance the environmental objectives of projects. Converting traditional growth projects to projects with environmental objectives is emerging as the new challenge for the Bank. Environmental projects are expected to require complex preparation and implementation. The Bank will strengthen its own and DMCs' staff capability to address this need and to identify additional concessional resources for environmental projects.

Agreements reached at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in June 1992, such as the Rio Declaration, Agenda 21, the Conventions on Biodiversity and Climate Change, and the principles of forest conservation and management, are expected to influence governments, multilateral development agencies and NGOs for years to come. As a development finance institution, the Bank will cooperate with relevant organizations in the Asian and Pacific region to fulfill the UNCED objectives. Its response to UNCED is an essential part of its environmental commitment for the 1990s (for a review of the Bank's environmental activities in 1993, see under "Bank Operations").

The Bank continues to play a role in catalyzing financial resources for environmental projects. It has sought to maximize environmental benefits by incorporating environmental objectives into its projects and programs. It has explored co-financing possibilities in which bilateral funding gives priority



THESE denuded mountains in Nepal are typical of the problem of forest degradation in the Asian and Pacific region. Protecting the environment and managing natural resources are among the Bank's priorities.

to environmental projects. The Bank has also encouraged tapping the private sector and reallocating resources for environmental protection and natural resource management. It is negotiating its role under the Global Environmental Facility (GEF) with GEF trustees (the World Bank, United Nations Environment Programme and United Nations Development Programme).

But even with funds pledged at UNCED, the Asian and Pacific region will still need to find regional resources to fund its environmental and sustainable development needs.

Conservatively, about \$13 billion per year will be needed for this purpose up to the turn of the century. The Bank will continue to encourage regional and international cooperative efforts to protect the environment, especially in areas not covered by GEF.

Cooperation with NGOs

In achieving its strategic and social objectives, the Bank emphasizes cooperation with non-governmental organizations (NGOs). Since most NGOs are private, voluntary, non-profit and service-oriented organizations, they can be useful partners in development. They are generally flexible, innovative and relatively free from bureaucratic constraints.

Information sharing, practical assistance at the project level, social preparation and financial intermediation are among the areas in which the Bank has been working closely with NGOs. Many of the poverty reduction, human resource development and WID projects approved during the year required active NGO involvement.

The Population and Family Planning project in Papua New Guinea will strengthen existing NGOs, such as provincial women's councils, and encourage the formation of village-level NGOs to promote greater cohesion among women.

The Sustainable Agriculture Development project in Indonesia will apply community development approaches based on the experience of NGOs working in Irian Jaya. Also in Indonesia, the Mangrove Rehabilitation and Management project will seek to enlist the support of NGOs in the Sulawesi area to develop social preparation and awareness programs.

The use of NGOs has been recognized as essential in the

Microcredit for Women project in Nepal. This project will follow innovative approaches to encourage private sector involvement in community development and credit support services. The management, accounting and reporting functions of NGOs are to be strengthened.

Under the Employment Generation project in Mongolia, selected NGOs will have an important role to play in assisting the poor in accessing credit.

As the focal point of the Bank's coordination with NGOs, the Social Dimensions Unit initiated a database on NGOs in DMCs. As of end-1993, some 2,000 NGOs had been included in the database.

Project Quality

As a project lending institution, the Bank pays close attention to the quality of projects it finances. Concerns over project quality have increased in recent years. This is because, on the one hand, the focus of development activities has broadened to cover social and environmental aspects (in addition to economic growth) and, on the other hand, there is growing recognition that scarce development resources must be managed better.

With greater emphasis on projects with social and environmental objectives – often more difficult to design and implement than traditional growth projects – the Bank considered it appropriate to examine ways of improving project quality in its borrowing DMCs. Accordingly, the President, in April, established a Task Force to conduct a comprehensive assessment of the Bank's project cycle. The final recommendations of the Task Force were submitted to the President in January 1994.



BANK OPERATIONS

Project Approvals

TOTAL BANK operations (lending and equity investments) during the year amounted to \$5,304 million, a 3.5% increase from \$5,125 million in 1992.

Lending to the public and private sectors amounted to \$5,281 million, about 3% higher than the 1992 total of \$5,109 million. Loans from ordinary capital resources (OCR) increased slightly to \$3,984 million. Those from the concessionary Asian Development Fund (ADF) increased 12% to \$1,297 million.

The 1993 lending total included \$5,040 million for 66 loans in government and government-guaranteed loans and \$241 million for 12 loans to the private sector without government guarantee.

In addition, the Bank approved nine direct equity investments in the private sector amounting to \$23 million.

By the end of 1993, the Bank had approved public and private sector loans for 1,179 projects in 31 developing member countries (DMCs) since the start of its lending operations in 1968. The Bank's equity operations, which began in 1983, reached a cumulative total of 76 direct investments and underwriting commitments.

Classification of Country Groups

UNDER the Bank's general classification, 'Group A' includes 23 DMCs with per capita GNP of \$610 or less in 1990. Eight of the ten Pacific island DMCs are included in this group because of their special economic circumstances and despite their higher per capita GNP.

'Group B' includes Indonesia with 1990 per capita GNP of \$550 and three other countries with per capita GNP in the range of \$760-\$1,420.

'Group C' DMCs had per capita GNP of \$1,770 or more in 1990.

BANK OPERATIONS

	Volume (\$ million)		
	1992	1993	% change
OCR	3,954	3,984	0.7
ADF	1,155	1,297	12.3
Total Lending	5,109	5,281	3.4
Equity Investments/			
Underwriting	16	23	43.7
TOTAL OPERATIONS	5,125	5,304	3.5

Technical Assistance

During 1993, the Bank provided technical assistance for 287 projects. Technical assistance grants amounted to \$122 million (an increase of 14% from 1992). This included \$21 million in regional activities. Technical assistance components of loans amounted to \$402 million (an increase of 9% from a year ago).

Forty-eight of the Bank's 1993 loans, involving an amount of \$3,769 million, resulted from earlier technical assistance projects. Of this, \$2,819 million was from OCR and \$950 million from ADF.

The Bank's technical assistance is financed through grants, or loans, or a combination of both. Grants are funded from voluntary contributions to the Technical Assistance Special Fund (TASF) by both developed and developing member countries, regularized allocation to TASF from ADF VI, investment income from TASF, annual transfer of OCR net income to TASF where necessary, annual contributions received from the Japan Special Fund (JSF) and grants from multilateral and bilateral sources (under co-financing and exclusive financing arrangements). The latter include the United Nations Development Programme (UNDP) and the governments of Finland, France, Netherlands, Norway,

LENDING AND INVESTMENT MODALITIES, 1992 AND 1993

	1992		1993	
	Number of Projects	Amount (\$ million)	Number of Projects	Amount (\$ million)
LENDING				
Project Loans	45	3,202.2	51	4,121.8
Program Loans	3	580.0	2	50.5
Sector Loans	11	1,074.3	4	585.2
Credit Lines	3	196.5	4	258.0
Detailed Engineering (TA) Loans	2	6.4	4	24.6
Private Sector Loans without Government Guarantee	1	50.0	12	241.1
INVESTMENT				
Direct Investment	4	10.6	9	22.7
Equity Underwriting	1	5.2	—	—
T O T A L	69^a	5,125.2	80^b	5,304.0

a The number of projects may not add due to a combination of direct and underwritten equity provided to a private enterprise.

b The number of projects may not add due to a combination of loan and direct equity provided to a private enterprise.

Sweden and Switzerland. Technical assistance loans are financed from both OCR and ADF, together with multilateral and bilateral sources. Grant assistance provided to the Bank's DMCs in 1993 comprised \$49.5 million from TASF/OCR income, \$54 million from JSF and \$19 million from bilateral and multilateral sources.

The Government of Japan made its sixth-year contribution to the JSF in 1993 amounting to a total of ¥9.074 billion. This included supplementary amount of ¥1.974 billion, which was allocated to support activities related to environmental protection (¥1.2 billion), women-in-development (¥250 million), private sector promotion (¥500 million), and seminars and symposia (¥24.110 million).

In addition to country-specific technical assistance, the Bank approved 48 regional technical assistance projects for a total amount of over \$21 million. This compared with 52 regional projects totalling \$14 million approved in 1992. Fifty-one per cent of the total amount was used for studies and workshops, 17% for training, 13% for research, 8% for conferences and seminars, and 11% for other activities.



A FARMER beneficiary in Nepal raising edible mushrooms under the Third Small Farmers Development Project, financed by a \$30 million concessional Bank loan.

Distribution of Technical Assistance Grants and Loans

Country-specific grants to DMCs accounted for \$101 million of the total grant assistance in 1993, an increase of 9% from 1992 (for sectoral breakdown, see Table 33 in the Statistical Annex). Group A (low-income) DMCs received 79% of the country-specific grants (62% in 1992). PRC was the major recipient. Group B (middle-income) DMCs received 18% (35% in 1992), Indonesia being the major recipient. Group C (higher-income)

DMCs accounted for the remaining 3% (2% in 1992). For an explanation of country classification, see page 51.

Of the technical assistance loans of \$402 million, 97% was provided for advisory and project implementation purposes and 3% for project preparation. Group A DMCs received about 51% of the total technical assistance loans (40% in 1992), Group B DMCs 48% (58% in 1992) and Group C DMCs 1% (2% in 1992).

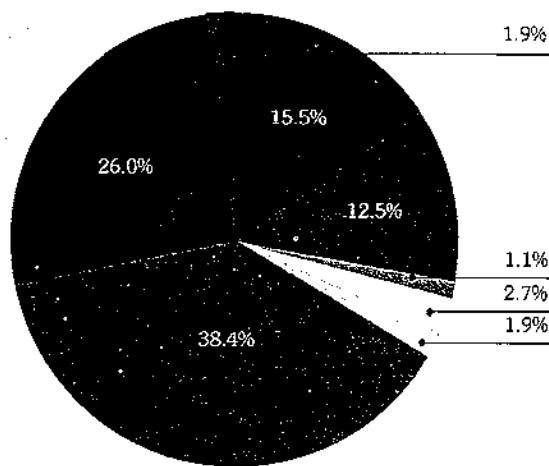
Review of Operations

This section reviews the Bank's lending and technical assistance operations by sector during 1993, covering both public and private sector activities.

Lending in the public sector (\$5,040 million) declined slightly from 1992. This was due mainly to a drop in the

volume of program loans being approved. The drop reflected the Bank's emphasis on the implementation of ongoing program loans. Only two program loans, both from ADF, were approved during the year for a total of \$51 million, against \$580 million approved in 1992. Four sector loans were approved for a total of \$585 million. Emergency loans for disaster rehabilitation were provided to two DMCs, both

Technical Assistance by Sector: 1993^a

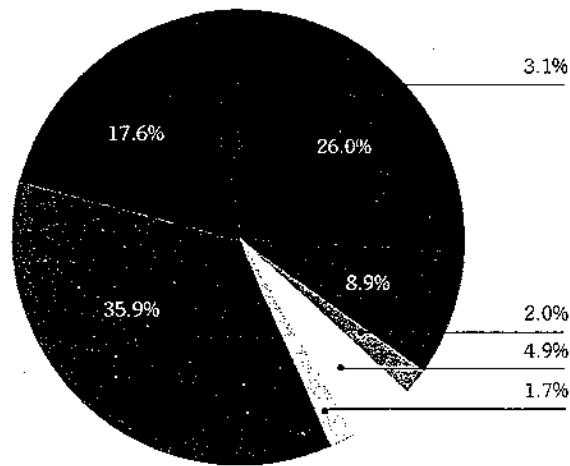


Total: \$502.8 million

- Agriculture and Agro-Industry
- Energy
- Finance
- Industry and Non-Fuel Minerals
- Multisector
- Social Infrastructure
- Transport and Communications
- Others

^a Excludes regional activities. Includes technical assistance grants and loans.

Technical Assistance by Sector: 1988-1992^a

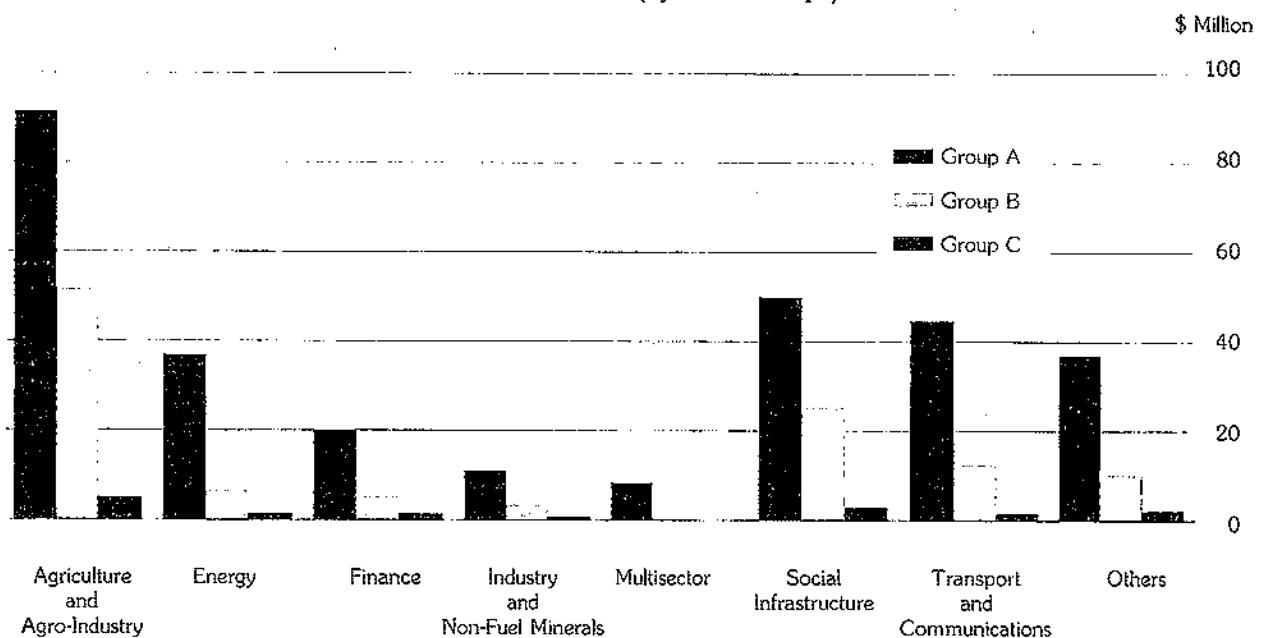


Total: \$1,379 million

- Agriculture and Agro-Industry
- Energy
- Finance
- Industry and Non-Fuel Minerals
- Multisector
- Social Infrastructure
- Transport and Communications
- Others

^a Excludes regional activities. Includes technical assistance grants and loans.

**1967-1993 Grant-Financed Technical Assistance Approvals
Sector Distribution (by DMC Groups)**



Note: For explanations on country groups, see box on page 51.

**TECHNICAL ASSISTANCE APPROVALS
BY SOURCE OF FUNDS, 1993**
(amounts in \$ million)

Financing Source	Number of Projects	Loan-Financed	Grant-Financed ^a
OCR	20	207.9	-
ADF	33	193.9	-
TASF	160	-	49.5
JSF	95	-	54.0
Other Sources			
Sweden	4	-	7.5
Norway	6	-	5.5
UNDP	3	-	2.1
Netherlands	2	-	1.8
France	3	-	1.2
Switzerland	1	-	0.6
TOTAL	287^b	401.8	122.2

a With the Bank acting as Executing Agency.

b A project financed by more than one source is counted as one.

in the South Pacific, for a total of \$1 million.

In the private sector, more direct loans were provided without government guarantee. The lending volume of \$241 million was a 382% increase from 1992.

Concessionary lending increased, both in number of projects and in volume, during 1993. This was due mainly to the resumption of lending to Viet Nam after almost two decades and the Bank's increasing emphasis on lending to the social infrastructure sector.

The average size of the year's loans to the public sector was \$76 million, slightly lower than \$77 million in 1992. A full list of the 1993 loans by sector appears in the Statistical Annex (Table 11).

Agriculture: Lending for agriculture, renewable natural resources and rural development sectors amounted to \$361 million for 13 projects. This was a substantial fall from 1992, due partly to conscious reductions in lending volumes for the sake of quality (given the complex social and environmental objectives involved), partly to allow for intersectoral balances in country programs and partly to unanticipated country constraints. Average loan size in this category dropped from \$40 million in 1992 to \$27 million in 1993. Of the 13 projects approved, only one – the Bank's first loan to Viet Nam – focused solely on economic growth. All others had poverty, social and/or environmental concerns, as primary

or secondary objectives.

In addition to public sector lending, two private sector loans were processed for agro-industrial enterprises in Indonesia and Philippines. An emergency loan was approved for the Flores Emergency Rehabilitation project in Indonesia.

Altogether, 60 technical assistance grants totalling \$31 million were approved for the agriculture sector, of which 24 were for project preparation purposes and 36 were advisory in nature.

During the year, the Bank undertook a restructuring of its operations in agriculture and natural resources. This included a strengthening of the policy, strategic and qualitative base of Bank lending and technical assistance. A new strategic framework was prepared for the Bank's work in agriculture. It identified renewable natural resources, agriculture and agro-industry, and rural development as the focal points of operations. Policies and operational strategies for each of these areas were elucidated. A policy paper was also finalized for the forestry sector.

Several policies were adopted to enhance project quality. One of these stated that technical assistance for institutional strengthening should preferably precede loan approval. This differed from the past Bank practice of providing such assistance during the implementation of the loan. It was also decided that DMCs would be encouraged to take technical

assistance loans to prepare detailed engineering designs before a full loan is approved. The Southwest Water Resources Engineering loan to Bangladesh was a case in point. Specific measures would be encouraged for the participation of NGOs and beneficiaries, particularly women. For example, the Microcredit for Women project in Nepal was focused entirely on improving the socioeconomic status of women.

Energy: In the energy sector, there were 13 loans totalling \$1,775 million, including three private sector loans. In addition, 22 technical assistance grants amounting to \$9 million were approved. Nine of them were for project preparation and 13 were advisory assistance.

ENERGY LOANS & TA GRANTS IN 1993

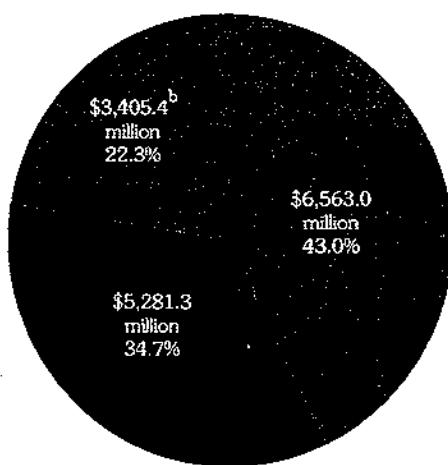
	Loans		TA Grants	
	\$ million	No.	\$ million	No.
Power	958	8	6	14
Hydrocarbon	817	5	3	8
TOTAL	1,775	13	9	22

In the power subsector, eight loans totalling \$958 million were approved. Six loans totalling \$756 million were for thermal power generation, transmission and distribution projects in Indonesia, Philippines and Thailand. Two loans amounting to \$202 million were for hydropower projects in PRC and Western Samoa. These projects were designed to upgrade and expand existing electric power facilities to support economic growth. In addition, 14 technical assistance grants amounting to \$6 million were approved to support power system planning, energy conservation, integrated resource planning, demand management and sector performance.

In the hydrocarbon subsector, five loans were approved for a total of \$817 million. Two loans each were for India and Thailand and one for Bangladesh. These projects focused on resource efficiency and conservation, production, transmission, distribution and rehabilitation of natural gas systems. Although most energy-related loans had a strong orientation towards efficient use of natural resources, a multisector loan to PRC (amounting to \$140 million) was specifically aimed at energy conservation and environmental improvement. Eight technical assistance grants, amounting to \$3 million, were also approved to enhance efficiency, regulatory reforms, renewable energy development and gas systems development.

Industry and Non-Fuel Minerals: The industry and non-fuel minerals sector received five loans amounting to \$333 million, including two private sector loans, for PRC,

Projects Approved in 1993:
Total Cost and Sources of Finance^a



Total: \$15,249.7 million

■ Borrowing Countries ■ ADB ■ Co-Financiers

a Total cost of program and sector loans and credit lines is an estimate.

b The total includes \$1,656.9 million arranged by the Bank and \$1,748.5 million arranged by DMCs. In addition, a total of \$88.2 million co-financing was arranged for two loans approved previously.

Indonesia, Mongolia, Nepal and Philippines. The projects were all aimed at supporting industrial policy and tariff reforms, export development and privatization. The industrial sector program loan to Mongolia was intended to strengthen the economic and industrial policy framework to support small and medium-scale industries and private sector enterprises. The sector also received 12 technical assistance grants totalling over \$4 million aimed at industrial policy reforms, environmental pollution control, institutional strengthening and human resource development.

Finance: In the financial sector, the Bank continued to provide policy advice, technical assistance and funds for the development of financial systems. Studies financed by and discussions held with the Bank helped several DMCs initiate financial sector reforms, improve the policy environment and strengthen prudential supervision. The Bank also provided technical assistance for human resource development in the financial sector in several DMCs.

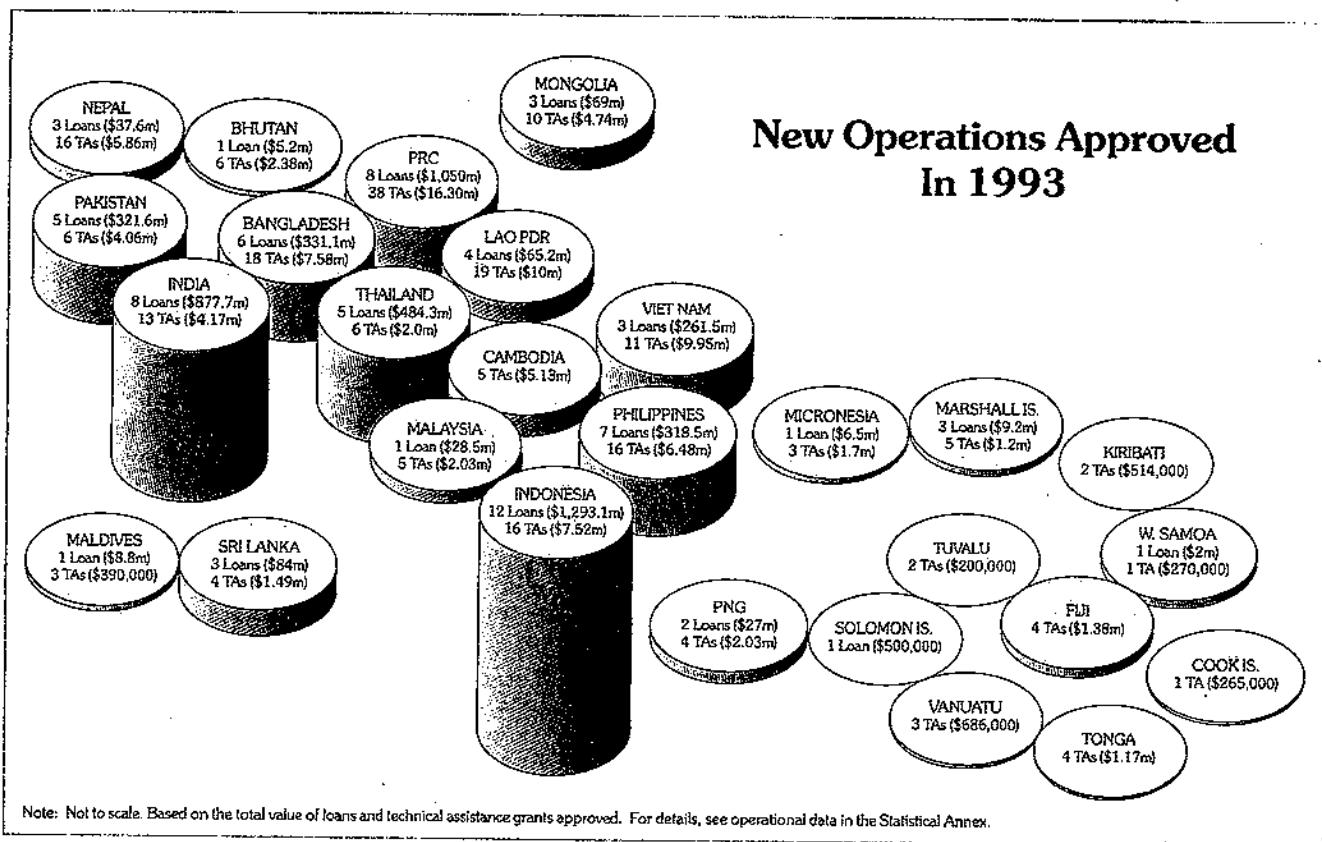
Loans totalling \$310 million were approved for the financial sector. This included \$200 million for the Second Development Finance Loan project in Indonesia. The Indonesian loan was aimed at financing private industrial investment that would generate non-oil exports, thus reinforcing the Government's strategy to diversify the export base. Structured as an umbrella credit line, the project would

enable nine banks, including seven privately owned, to onlend Bank funds to eligible private enterprises to meet the foreign exchange costs of export-oriented subprojects. The project will result in additional capital formation, employment and foreign exchange earnings and savings.

A \$50 million loan was made to the China Agribusiness Development Trust and Investment Corporation. It would finance the technical upgrading of small and medium-sized township and village enterprises in PRC. Such enterprises have emerged over the past decade as more dynamic than state-owned enterprises. They play a major role in PRC's transition to a market-oriented economy as important suppliers to the domestic market, major sources of rural income and employment, and significant export earners.

As part of its efforts to help diversify financial services in the DMCs, the Bank approved an equity investment in the first credit rating agency in Thailand as well as in a venture capital company in India. Eighteen technical assistance grants totalling \$5.5 million were approved for the development of DMC capital markets.

Transport and Communications: Bank involvement in the transport and communications sector is intended to reduce bottlenecks which hinder economic growth. A major objective is to promote the commercialization of port, telecommunications and airport facilities, and to increase



Note: Not to scale. Based on the total value of loans and technical assistance grants approved. For details, see operational data in the Statistical Annex.

TRANSPORT AND COMMUNICATIONS LOANS AND TA GRANTS IN 1993

	Loans		TA Grants	
	\$ million	No.	\$ million	No.
Roads	877	9	13	19
Railways	110	1	1	2
Ports	28	2	3	7
Airports	161	3	1	4
Telecommunications	379	3	1	3
TOTAL	1,555	18	19	35

opportunities for the private sector. In the roads subsector, the emphasis is on periodic maintenance and the establishment of proper user charges. Environmental aspects are taken into account in planning and designing sectoral projects.

Lending to transport and communications sector in 1993 amounted to \$1,555 million for 18 projects. The roads subsector accounted for \$877 million and included loans to Bangladesh (\$68 million) for road overlay and improvement; Bhutan (\$5.2 million) for the maintenance of the East-West Highway; PRC (\$200 million) for the construction of toll expressways in Hunan and Jilin provinces;

Indonesia (\$200 million) for upgrading and rehabilitation of local roads; India (\$245 million) for the National Highways project; Lao PDR (\$26 million) for the Sixth Road project, which includes a component for privatizing Government-owned road construction units; and Viet Nam (\$120 million) for the Bank's first road project in that country.

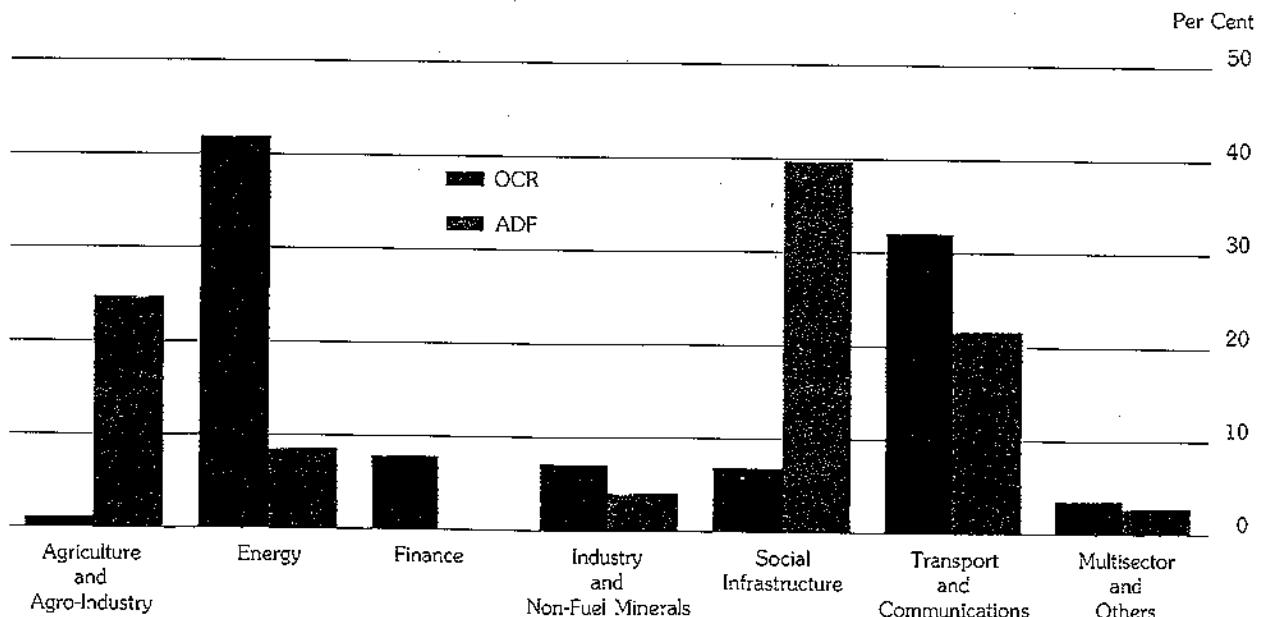
There were three telecommunications projects, one in PRC (\$100 million) for the laying of two long-distance fiber-optic backbone cables from Beijing to Guangzhou and from Beijing to Xian; one for the Second Telecommunications project in Indonesia (\$195 million), which continues the efforts of the earlier project in expanding the network into provinces; and one for the Second Rural Telecommunications project in Thailand (\$84 million).

For the first time in many years, the airports subsector received loans from the Bank. Altogether, three loans were provided, one to Indonesia (\$110 million) to upgrade the Manado and Amboin airports for safe all-weather operation; one for the Ulaanbataar Airport in Mongolia (\$36 million), the country's major gateway to the outside world which needs improvement to accommodate modern aircraft; and one for airport improvement in Lao PDR (\$15 million).

One loan was made under the railways subsector to PRC (\$110 million) for the construction of the Hefei-Jiujiang Railway, which will be part of an alternative line in the high-density railway corridor between Kowloon in Hong Kong and Beijing.

In the ports subsector, loans were made to Maldives for

Sectoral Distribution of Project Approvals from OCR and ADF, 1993*



* Per cent of values of OCR and ADF loan approvals, respectively.

the Second Malé Port (\$8.8 million) and Pakistan for the Fauji Oil Terminal and Distribution Co. Ltd. (\$19 million). The latter was a private sector loan without government guarantee.

An emergency loan was made to Indonesia (\$15 million) to restore transport facilities destroyed during an earthquake in 1992 near Flores Island.

Thirty-five technical assistance grants, amounting to more than \$19 million, were approved for the transport and communications sector to support the preparation of projects and master plans, institutional strengthening and policy reforms. Regional technical assistance grants were provided for the further development of a computer model for highway design and maintenance, for the institutional strengthening of the Asian Disaster Preparedness Center and for a regional training course on the management of port operations under the Bank's cooperation arrangements with Singapore.

Social Infrastructure: Lending to the social infrastructure sector amounted to \$781 million for 19 projects, an increase of 13% from 1992, reflecting the Bank's growing attention to this sector.

The education subsector accounted for \$387 million, with loans for the Secondary Education Development project in Bangladesh (\$72 million), the Higher Education project in Indonesia (\$140 million), the Basic Education project in the Marshall Islands (\$8 million), the Middle School project in Pakistan (\$78 million), the Higher Education project in Papua New Guinea (\$20 million), the Nonformal Education

SOCIAL INFRASTRUCTURE LOANS AND TA GRANTS IN 1993

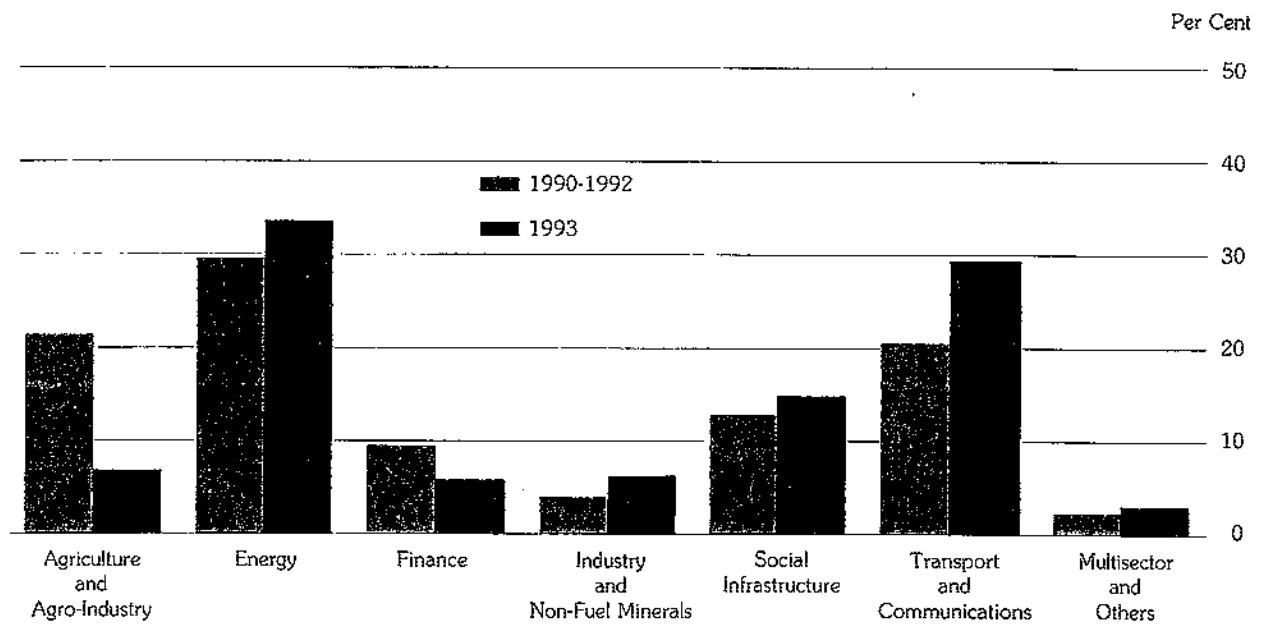
	Loans		TA Grants	
	\$ million	No.	\$ million	No.
Education	387	8	7	12
Health and Population	32	2	2	8
Water Supply and Sanitation	265	7	6	16
Urban Development	97	2	3	7
TOTAL	781	19	19*	43

* Figure will not add due to rounding.

project in the Philippines (\$25 million), the Secondary Education Development project in Sri Lanka (\$31 million), and the Financial Management Training project in Sri Lanka (\$13 million). These projects reflected the Bank's efforts in improving the quality and accessibility of education (especially for women), reducing illiteracy, capacity building, policy reforms, training teachers and producing better instructional materials.

Technical assistance operations in the education subsector numbered 12, totalling over \$7 million. Activities financed by these grants ranged from projects in secondary

Sectoral Distribution of Project Approvals, 1990-1992 (Average) and 1993 - By Value*



* Per cent of total values of approved loan commitments.

and post-secondary education to institutional development and monitoring of the labor market.

In the *health and population* subsector, the Population project in Pakistan (\$25 million) and the Population and Family Planning project in Papua New Guinea (\$7 million) reflected the objectives of improving family planning services in remote rural areas and enhancing institutional capability to reach the truly poor. Technical assistance grants totalling over \$2 million were approved, focusing on the delivery of health services and nutrition.

Seven loans were approved in the *water supply and sanitation* subsector, reflecting the objectives of expanding supply, enhancing accessibility, managing demand, improving the management of water resources, introducing appropriate user charges and upgrading sanitation facilities. The three largest loans went to Pakistan (\$72 million), Philippines (\$43 million) and Viet Nam (\$65 million), with smaller loans to Bangladesh (\$31 million), Lao PDR (\$13 million), Marshall Islands (\$700,000) and Sri Lanka (\$40 million). In addition, 15 technical assistance grants were approved for a total of \$6 million.

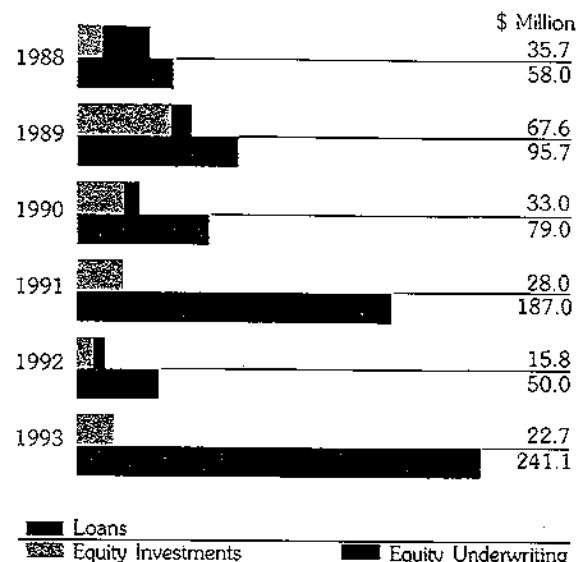
Two loans were approved for *urban development*. They were for the Eastern Islands Urban Development Sector project in Indonesia (\$85 million) and the Kathmandu Urban Development project in Nepal (\$12 million). Improving the living conditions of the urban poor is an important social consideration in the Bank's urban development projects. Improving urban infrastructure programming and encouraging local revenue generation are among the operational objectives of the project in Indonesia. In addition, seven technical assistance grants were approved. They covered urban environmental improvement in PRC, the development of the cities of Semarang and Bandung in Indonesia, and urban infrastructure development in Malaysia, Nepal and Vanuatu.

Support for the Private Sector

Continuing its support for promoting the private sector in its DMCs, the Bank increased activities in this area. The year under review marked the first year when the Bank's private sector activities were integrated into the mainstream of its sector operations. The integration, initiated in July, was designed to ensure that private sector activities benefited from the various projects departments' close knowledge of the DMCs. Private sector proposals are now processed by the projects departments concerned. Private sector operations now constitute a thematic priority in the Bank's strategic planning process. The needs and concerns of the private sector in DMCs are reflected in the Bank's country operational strategies and work plans. This is expected to result in a more effective means of assisting the private sector.

During the year, the Bank approved a total of \$514 million for projects which would benefit, either directly

**Amount of Private Sector Loans,
Equity Investments and Underwritings**



or indirectly, the private sector (see Table 16 in the Statistical Annex). Of this, \$250 million in government-guaranteed loans was channeled to the private sector through financial intermediaries in PRC and Indonesia. Direct assistance to the private sector without government guarantee amounted to \$264 million. This comprised \$241 million in loans and \$23 million in equity investments (see table on page 60).

Enterprises which benefited from these loans included an oil terminal in Pakistan on a build-own-and-operate (BOO) basis as part of the Government's privatization program; two power plants in the Philippines being built on a build-own-and-transfer (BOT) basis to ease an acute power shortage; two agro-industrial ventures in Indonesia and Philippines; a project in the Philippines for converting coconut oil into basic oleochemicals; and a project in Indonesia for recycling used lube oil. Complementary financing amounting to \$19 million was arranged for two of these projects. In addition, the Bank approved credit lines to four private nonbank financial institutions in India, the first such credit facility in that country, to augment their resource base for financing private enterprises.

Environmental Activities

The Bank's major environmental goals in 1993 were to strengthen the process of integrating environmental considerations into country strategy, programming work and lending operations; assist projects departments in designing

PRIVATE SECTOR INVESTMENTS BY SECTOR; 1993^a
 (amounts in \$ million)

Sector	1993 Approvals						Investments Held					
	Bank Investments		Complementary Loan		Total	Bank Investments		Complementary Loan		Total		
	No.	Amount	No.	Amount		No.	Amount	No.	Amount		No.	Amount
Financing, Insurance, Leasing and Business Services												
Financial Institutions ^b	5 ^c	61.1	—	—	61.1	27	101.6	—	—	101.6		
Insurance	—	—	—	—	—	1	0.3	—	—	0.3		
Leasing and Business Services	1	0.2	—	—	0.2	20	89.4	5	14.7	104.1		
Manufacturing Sector												
Textile, wearing apparel and leather	—	—	—	—	—	8	29.9	2	8.0	37.9		
Chemicals, petroleum, coal, rubber and plastic products	2	68.5	—	—	68.5	10	54.2	1	18.9	73.1		
Cement and ceramics	—	—	—	—	—	2	15.6	2	19.6	35.2		
Basic metal industries	—	—	—	—	—	1	0.2	—	—	0.2		
Fabricated metal products, machinery and equipment	—	—	—	—	—	5	13.7	1	56.5	70.2		
Others:												
Mining	—	—	—	—	—	1	14.3	1	23.8	38.0		
Electricity, Gas and Steam	2	79.5	—	—	79.5	3	66.9	1	4.6	71.4		
Transport and Storage	1	20.0	1	11.8	31.8	1	37.3	—	—	37.3		
Telecommunications	—	—	—	—	—	1	17.8	—	—	17.8		
Agribusiness	3	34.5	1	7.5	42.0	2	2.5	—	—	2.5		
T O T A L^d	14	263.8	2	19.3	283.1	82	443.8	13	146.0	589.7		

a. For purposes of private sector activities, the term "investment" comprises loans, equity investments (direct and under lines of equity) and equity underwritings.

b. Including banks, venture capital companies, investment management and securities companies, etc.

c. Including one supplementary approval.

d. Amounts may not total due to rounding.

environmental projects; enhance institution-building efforts in DMCs; promote regional and international cooperation; develop a regional plan of action in response to Agenda 21 of the United Nations Conference on Environment and Development (UNCED); and improve the Bank's resource center and training activities.

The Bank's environment specialists continued to participate in country programming missions. They helped in the preparation of country operational strategy studies and country-specific environment reports. Environment sector papers were given a sharper analytical focus.

Work on the preparation of country environmental assistance work plans was completed for most DMCs.¹ Since

such a work plan provides information on the Bank's past, present and future environmental activities, it is a more accurate assessment of actions required.

The Bank continued to strengthen its environmental impact assessment (EIA) of projects. Fifteen summary environmental impact assessment reports (SEIAs) were separately circulated to the Board during the year. The Bank decided to make SEIAs available through selected libraries in member countries under the Bank's Depository Library Program for consultation by NGOs and other interested parties. Project staff were encouraged to make better use of environmental loan covenants to ensure the environmental soundness of Bank projects.

Recommendations of UNCED were integrated into the Bank's overall environmental program. Special considerations were given to strengthening Bank operations in line with Agenda 21. Environmental review or analysis of Bank

1. Country environmental assistance work plans provide such background information as basic environmental indicators, policies, legislations, institutions and environmental impact assessment requirements, key environmental issues and strategies, government strategies and programs, and other donors' programs.

Mangrove Rehabilitation and Management in Indonesia

MANGROVES in Indonesia are being degraded as a consequence of increasing pressure caused by competing land use. The problem is aggravated by poverty-driven destruction of mangroves for fuelwood and other purposes. This frequently affects catch fisheries, increases coastal erosion and leads to salt water incursion on adjacent low-lying agricultural lands.

An \$8 million loan was approved for Indonesia to formulate a national strategy and action plan to conserve and manage mangroves. The project will assist the Government in undertaking trial rehabilitation of mangroves, preparing an investment project, strengthening relevant institutions, supporting NGOs and local community groups and enhancing social awareness. One of the major objectives of the national action plan will be to reduce poverty among coastal communities.

projects during implementation and post-evaluation was strengthened. Environmental audit and/or compliance reports were prepared to ensure that borrowers implemented environmental management plans. Lessons of the Bank's operations were incorporated into the project design. Staff were encouraged to maximize the use of the Bank's Environmental Monitoring Information System.

In 1993, the Bank approved environmental loans totalling about \$1,592 million. These included projects for environmental improvement in Tangshan and Chengde in PRC, reduction of gas flaring in India, mangrove rehabilitation and coastal zone management in Sulawesi (Indonesia), an industrial tree plantation in Lao PDR, integrated urban development projects in Nepal and Indonesia, and water supply in several DMCs.

Training programs were organized to familiarize Bank staff with innovative approaches for protecting the environment, promoting sustainable development and implementing Agenda 21. Staff were also acquainted with such topics as biodiversity, climate change, financing environment programs and the formulation of environmental loan covenants.

Through its technical assistance operations, the Bank continued to help DMCs strengthen their capabilities in support of Capacity 21 (a capacity-building program in support of Agenda 21). It planned to evaluate its institution-building activities in the region over the past six years.

As part of its institution-building program, the Bank assisted the Federated States of Micronesia to develop an integrated watershed management master plan. Viet Nam was assisted to prepare an integrated environmental improvement program and an action plan to improve environmental conditions in Ho Chi Minh City, PRC, Indonesia

and Malaysia received technical assistance to strengthen their environmental institutions, legislation and the EIA process.

The Bank's regional technical assistance projects were focused on coastal and marine resource management in South China Sea, regional strategies for controlling acid rain and climate change, the development of environmental indicators and indices, computer-assisted EIA for Bank and DMC use, and methods of financing environmental operations.

Several resource center activities were initiated during the year. An action plan was formulated for the establishment of an in-house geographic information system. A move was initiated to establish a system for the computerization of EIA in the Bank. Various publications were issued on environmental topics. A special report, entitled *The Environment Program of the Asian Development Bank: Past, Present and Future*, was prepared, evaluating environmental programs in the Bank and indicating future initiatives.

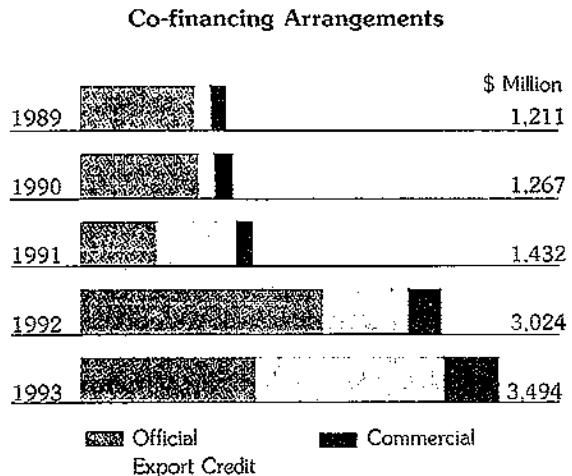
The Bank's Medium-Term Strategic Framework specifies regional cooperation as part of its strategic agenda. Accordingly, the Bank actively collaborated on environmental programs with the United Nations Economic and Social Commission for Asia and the Pacific, United Nations Environmental Programme, United Nations Development Programme (UNDP) and other agencies, including multilateral development banks. Dialogue was initiated with such agencies on assisting DMCs in their commitments to the post-UNCED agenda. Negotiations were held on the possibility of making the Bank the regional executing agency for the Global Environmental Facility (GEF).

Co-financing and Guarantee Operations

For the second consecutive year, the amount of co-financing arranged by the Bank exceeded the \$3 billion mark and reached \$3,494 million, against the 1992 figure of \$3,024 million. A total of 24 Bank-assisted loan projects (about 31% of total number of loans approved during the year) were co-financed. The Bank's own lending to the co-financed projects amounted to \$1,979 million, comprising \$1,580 million from OCR and \$399 million from ADF.

Official sources of co-financing, other than officially supported export credits, contributed \$1,436 million (down 28%). Of this, about \$786 million was provided by multilateral institutions and \$650 million by bilateral agencies. Co-financing from commercial sources increased 62% to \$441 million, while co-financing from export credit agencies rose 117% to \$1,617 million. By the end of the year, 387 Bank projects had received co-financing for a cumulative total of over \$17 billion.

Commercial co-financing remained an important source of co-financing. Eight projects were co-financed from commercial sources. These included two projects in the private



sector for which co-financing was arranged under the Bank's Complementary Financing Scheme (CFS).

During 1993, one project involving \$28 million was added to the list of projects administered by the Bank but exclusively financed by the International Fund for Agricultural Development.

In addition to co-financing for loan projects, the Bank tapped bilateral and multilateral sources, such as France, Netherlands, Norway, Sweden, Switzerland and the UNDP. A total of \$19 million was arranged through these sources to co-finance or exclusively finance 18 technical assistance projects on a grant basis. The Bank acts as the administrator for technical assistance projects financed from such sources.

Bank's Role in Resource Transfer

The net transfer of resources (gross disbursements less principal repayments and prepayments, payments of interest and other charges plus net equity investments) from the Bank to the DMCs decreased by 21% from \$1,179 million in 1992 to \$931 million in 1993. This was mainly due to prepayments before maturity and a drop in program loan disbursements.

RESOURCE TRANSFER TO DMCs (\$ million)

	1992	1993	% change
OCR	431	176	-59
ADF	748	755	+1
TOTAL	1,179	931	-21

Of the total net transfer, \$176 million was from OCR and \$755 million from ADF. The net transfer from OCR showed a 59% decline due to loan prepayments by Fiji, Republic of Korea, Malaysia and Thailand (amounting to \$241 million). Net transfers from ADF increased by 1% mainly due to an increase in loan disbursements by Nepal, Pakistan and Philippines. The increase in ADF loan amortization was modest because of the high grant element of ADF loans. For details of resource transfers, see Tables 34-36 in the Statistical Annex.

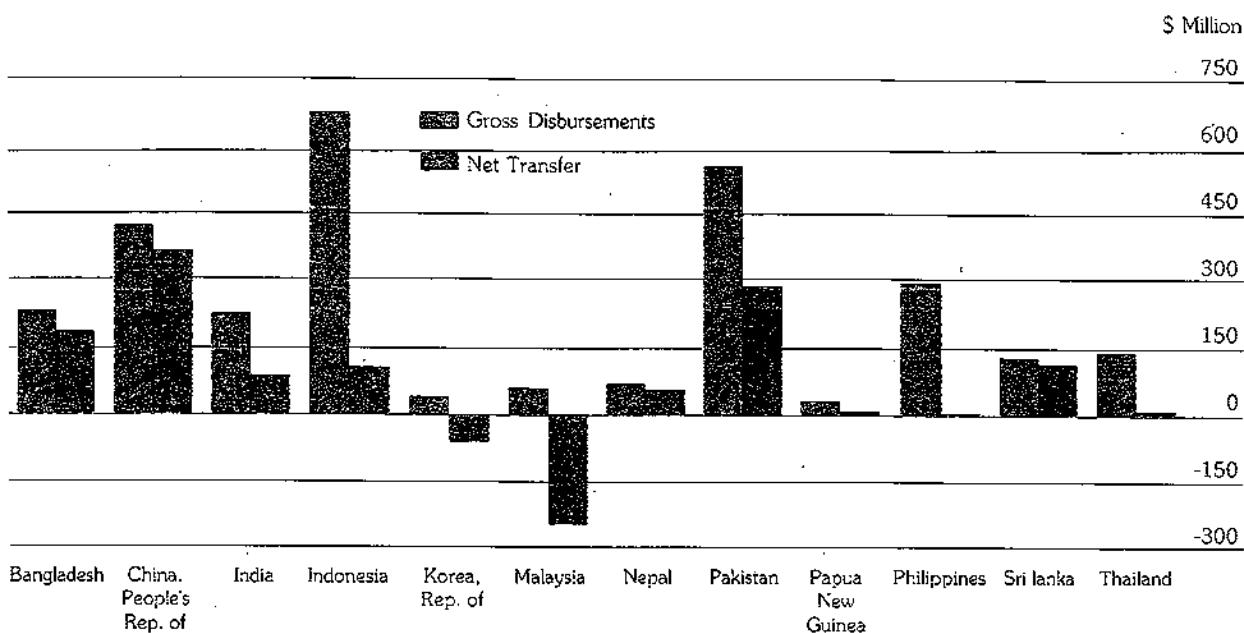
Loan disbursements increased from \$2,767 million in 1992 to \$2,941 million in 1993. Of this, \$2,016 million was from OCR and \$925 million from ADF. The improvement in disbursements was attributed to efforts by both the Bank and the borrowing DMCs to improve project implementation. Another contributing factor was the increase in undisbursed balances available for withdrawal due to an increase in the number of active loans.

Loan disbursements under project loans included sector loans, DFI credits and special assistance, which accounted for 90% of total disbursements. These increased from \$2,228 million in 1992 to \$2,647 million because of faster project implementation, particularly in PRC, Nepal and Pakistan. Disbursements under program loans decreased by 59% from \$473 million in 1992 to \$194 million. The decrease was largely attributable to a reduction in the number of new programs approved during the year and delays in releasing second tranches of program loans which did not comply with conditions for such release.

The disbursement ratio (all loans, including program loans) increased slightly from 16% in 1992 to 16.1%. It is defined as the ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year plus loans approved during the year with disbursements. The disbursement ratios for PRC, Nepal and Pakistan increased significantly, while those for Bangladesh, India, Malaysia and Thailand declined. The financial sector continued to maintain the highest disbursement ratio. The ratios for social infrastructure, agriculture and energy sectors were lower than the overall average. This was due to the increasing share of social sector projects (including environment) in the portfolio. These projects disburse slowly due to their inherent complexities and continuing weaknesses in institutional capacity.

In 1993, Bangladesh, PRC, Indonesia, Pakistan and Sri Lanka were the five largest recipients of Bank resources. PRC received net transfers of \$363 million in 1993, showing an increase of 155% over 1992. This sharp increase reflected the strong disbursement performance of new loans approved during 1992 and 1993. Pakistan received positive net transfers from both OCR and ADF, aggregating \$287 million. The level was 33% higher than in 1992 due to increased disbursements for projects in the agriculture, financial and energy sectors. Net transfers to Bangladesh (\$183 million) showed a 37% decline as project implemen-

1993 Net Transfer of ADB Resources to Selected DMCs



tation suffered mainly because of delays in the release of second tranches of two ongoing program loans. Net transfers to Sri Lanka declined slightly to \$111 million because of reduction in the flow of disbursements in the financial sector and delays in the release of the second tranche of the agriculture program loan. Indonesia has been the Bank's largest borrower with the largest amount of disbursements, but net transfers to that country declined to \$103 million, mainly due to a rapid increase in loan amortizations.

India registered 71% drop in net transfers because of constraints to project implementation. These included lengthy internal procedures and delayed release of budget allocations. Project implementation and loan disbursements in Papua New Guinea and Philippines were affected by shortages of counterpart funds, lengthy internal procedures and institutional constraints. Net transfers to the two DMCs were only modestly positive because of negative net OCR flows.

Fiji, Kiribati, Republic of Korea, Malaysia, Myanmar, Singapore and Viet Nam experienced negative net transfers of resources. Malaysia registered the largest negative flow of \$248 million due to loan prepayments. In the absence of new loans, Myanmar's loan disbursements were less than loan repayments and payments of service charge, resulting in a negative net transfer. Although the Bank resumed its lending operations in Viet Nam in October 1993, no disbursements were made from the newly approved loans. The country repaid \$12.5 million to the Bank in 1993.

Among the four newly industrializing DMCs, Republic of Korea and Singapore have been in the net repayment phase, while Hong Kong and Taipei, China completed their loan amortization on Bank loans a few years ago.

Economic Research and Development Studies

During 1993, the Bank undertook a range of research projects in support of its operations. Specific areas of operational research included resource mobilization, environmental protection, human resource development, health and regional cooperation. Studies initiated or continued in 1993 included poverty in Asia, financial sector policies within the region, economic reforms in centrally planned economies, macroeconomic modeling and forecasting, the role of multilateral development banks, population and the environment, economic implications of HIV/AIDS in selected DMCs, development of the Indonesia-Malaysia-Thailand growth triangle, changing employment structures in the region's metropolitan areas, exchange rate policies of Asian countries, governance and economic development, the relationship between population policies and economic development, and policy responses to the Gulf Crisis.

Technical assistance for a demographic-economic study related to development planning in Indonesia and institutional support to the Ministry of Finance in Bangladesh

Research Publications

A NUMBER of new titles were added during the year to the Bank's research monograph series – *Economic Staff Papers*, *EDRC Report Series*, *EDRC Statistical Reports*, and *Occasional Papers* – and a three-times-a-year *Research Bulletin* was launched to provide summaries of economic and policy research undertaken within the Bank.

Also published were a new statistical title, *Gender Indicators for Asia and the Pacific*, which provides gender-based statistical information and analysis, and a research volume, *Rural Poverty in Asia: Priority Issues and Policy Options*, which resulted from an extensive project addressing rural poverty. Two sets of guidelines – *Framework for Economic and Financial Appraisal of Urban Development and Sector Projects* and *Framework and Criteria for Appraisal and Socioeconomic Justification of Education Projects* – were completed.

In addition, the Bank continued to publish *Asian Development Review*, a semiannual journal presenting results of economic research; *Asian Development Outlook*, an annual publication providing a review of economic developments in the region and medium-term economic forecasts; and *Key Indicators of Developing Asian and Pacific Countries*, a compilation of statistical information on the Bank's DMCs.

continued. A technical assistance project was initiated to support the establishment of a research and analysis institute in Nepal.

A number of methodological and sector research studies in support of Bank activities were completed during 1993. These included estimation of shadow prices for project appraisal, design/appraisal framework for education and urban development projects, and economic benefits of potable water supply projects.

During the year, research was initiated on BOT projects in the power sector and an integrated approach to the appraisal of water supply projects. An interdepartmental working group was formed to determine an appropriate exchange rate to be applied for economic analysis of projects in PRC. An interdepartmental consultative group was established to prepare guidelines for the economic analysis of water supply projects.

In the area of statistics and data systems, more efficient data updating and generation mechanisms and expanded interfaces with databases of other international institutions were developed. Technical assistance was provided to

strengthen national statistical systems in DMCs with transitional economies and those in the South Pacific. Regional technical assistance projects were undertaken to compile and disseminate social and environmental indicators.

As part of its development resource center role, the Bank continued to organize the annual Development Round Table, the Round Table on Development Strategies, and the Asian Economic Outlook Workshop. Each of these events addresses specific aspects of economic growth and development in the region. Other events held during the year included a Conference on Development Economics, a Seminar on International Finance, a Symposium on Tax Policy and Reforms, and a Training Program for Policymakers in DMCs. Also continued during the year was the annual Special Secondment Scheme, bringing mid-level DMC government officials to the Bank for short-term on-the-job training. Program assistance was provided to the Asian Productivity Organization to support training activities for DMC officials.

Aid Coordination

The 15th ADB-World Bank Coordination Meeting was held in May in connection with the Bank's 26th Annual Meeting in Manila. The President attended the meetings of the Development Committee and Heads of Multilateral Financial Institutions in Washington, D.C., in September.

In November, the Bank attended the first donors' conference on Viet Nam, held in Paris and chaired jointly by UNDP and the World Bank. In preparation for the resumption of activities in that country, the Bank worked closely with the UNDP Office in Hanoi as well as with the World Bank and the International Monetary Fund (IMF) to ensure that its activities were consistent with theirs and complemented the country's macroeconomic adjustment policies.

The Bank also took an active part in the program of assistance to Cambodia. Joint missions and consultations were undertaken with UNDP, the Mekong Secretariat, the World Bank and IMF.

In addition, the Bank attended regular donors' meetings for Bangladesh, Indonesia, Mongolia, Pakistan, Papua New Guinea and Sri Lanka.

The resident offices and the South Pacific Regional Office (SPRO) continued to play important roles in aid coordination efforts. SPRO maintained regular consultations with representatives of multilateral institutions. It collaborated with IMF and World Bank in developing an adjustment program for Solomon Islands. SPRO also sent out teams to Australia and New Zealand for program discussions. It was represented at the Partners' Meeting organized by the South Pacific Forum in April and the annual meeting of the South Pacific Commission in October.

COUNTRY HIGHLIGHTS

THIS chapter provides brief accounts of the Bank's operational strategies, policy discussions, lending and technical assistance activities, and project implementation in its borrowing DMCs. The "Loans and Technical Assistance" sections describe annual operations by sector and include direct loans to the private sector. "Project Implementation" sections include annual and cumulative figures of contract awards and disbursements. Cumulative lending figures for individual countries may not add due to rounding.

For details of country operations, see the Statistical Annex (Tables 8-13 for loans, Tables 29-33 for technical assistance and Tables 18-28 for contract awards and disbursements).

The DMCs are arranged alphabetically. Bank operations in the Pacific island DMCs are described separately in a special grouping. Tuvalu became a member of the Bank in 1993.

During the year, the Bank resumed lending to Viet Nam after a hiatus of almost two decades.

Bangladesh

Operational Strategy: The Bank's medium-term operational strategy in Bangladesh focuses on poverty reduction through faster and efficient economic growth. The strategy seeks to achieve this goal by promoting greater market orientation, enhancing domestic resource mobilization, accelerating human resource development and improving physical infrastructure. The Bank supports improvements in agricultural efficiency and productivity, privatization to strengthen the corporate sector, and financial sector reforms. The strategy focuses also on enhancing the poor's access to employment opportunities and emphasizes health and population planning, education, training, basic services and the provision of credit. Improving and protecting the environment and promoting natural resource management are also important objectives.

Policy Dialogue: The Bank broadened its policy dialogue in various sectors. In agriculture, it supported reforms to enhance the role of the private sector through

import liberalization and deregulation of the sale of minor irrigation equipment, fertilizers and seeds. Rationalization of food grain management and commercialization of public entities were encouraged. In industry, the Bank worked closely with the Government in restructuring and privatizing public manufacturing enterprises, reducing subsidies and price regulations, and developing the capital market. In the

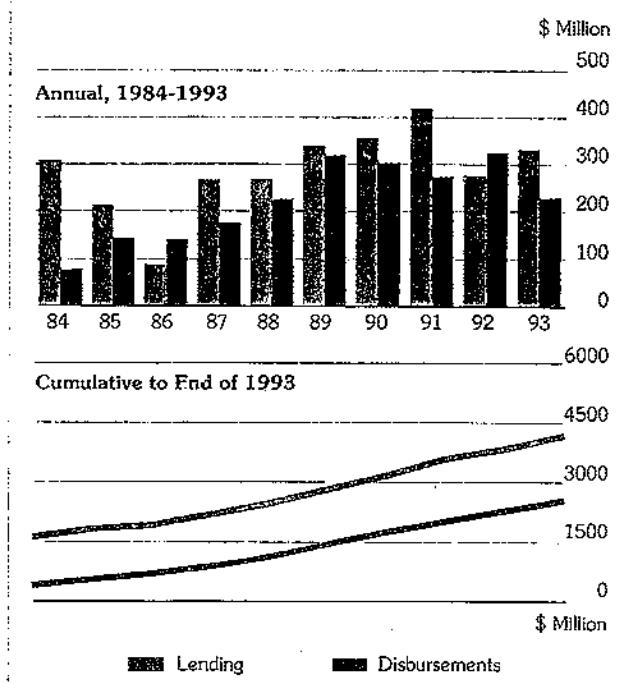


THIS cemented footpath and tubewell in Bangladesh were constructed under the Secondary Towns Infrastructure Development Project, with a \$43 million concessional loan from the Bank.

Cumulative Bank Lending to Bangladesh
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Agro-Industry	52	1,747.9	42.0
Energy	16	885.4	21.3
Social Infrastructure	18	664.8	16.0
Transport and Communications	11	503.1	12.1
Industry and Non-Fuel Minerals	7	222.5	5.3
Finance	7	137.6	3.3
Total	111	4,161.2	100.0

Bangladesh: Lending and Disbursements



transport and communications sector, discussions were focused on policies considered necessary to reduce the deficit of Bangladesh Railways. In the social sector, the policy dialogue emphasized primary education and the restructuring of secondary education as well as issues concerning health, basic services and population programs.

Loans and Technical Assistance: In 1993, Bank lending amounted to \$331 million for six projects. Two loans amounting to \$53.15 million were for the agriculture

sector, one of \$107 million was for the energy sector, one of \$68 million was for the transport and communications sector and two loans totalling \$103 million were for social infrastructure projects. In addition to loans, the Bank approved 18 technical assistance grants totalling \$7.6 million. Of this amount, \$6.8 million was advisory technical assistance and \$750,000 was for project preparation.

Project Implementation: Of the 111 loans approved for Bangladesh as of end-1993, 63 had been closed and 48 were under administration. Six loans had yet to become effective. Contracts worth \$147 million were awarded during the year, bringing the cumulative total to \$2,560 million. Disbursements totalled \$230 million, bringing cumulative disbursements to \$2,530 million. The Bangladesh Resident Office (BRO) continued to assist the Government in coordinating and following up Bank projects and programs, help process new projects, administer technical assistance and engage in dialogue on policy issues. A country project review mission was undertaken in November-December to discuss and resolve issues affecting project performance. A procurement seminar for executing agency staff and a workshop on benefit monitoring and evaluation were held in November/December.

Bhutan

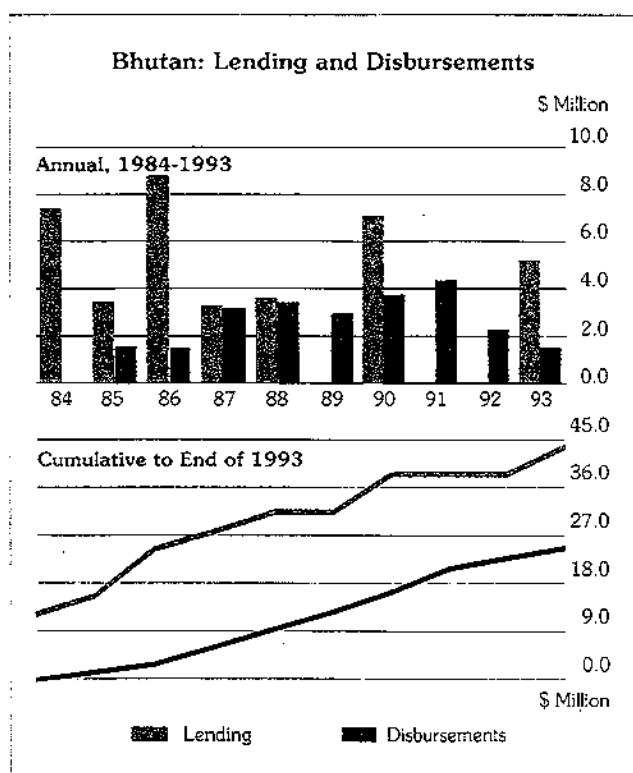
Operational Strategy: Easing institutional and manpower constraints and assisting the transition to a more diversified economy are the Bank's major goals in Bhutan. The Government's efforts to balance social and economic development as well as to preserve the environment are also supported. To avoid straining Bhutan's administrative and debt-servicing capacity, the Bank limits its loan assistance and plays a catalytic role by providing technical assistance for institutional strengthening and by mobilizing co-financing, particularly grants.

Policy Dialogue: The Bank continued to encourage the Government to enhance domestic resource mobilization through improved revenue collection and cost recovery for some services, and to control current expenditure. The institutional capacity of the Department of Roads, development of the domestic contracting industry, and cost recovery from road users were among other issues covered. Streamlining the trade regime, improving the efficiency of the tax system and deepening the market orientation of the economy were encouraged.

Loan and Technical Assistance: A \$5.2 million loan was approved to support periodic maintenance of the East-West Highway, the main road linking the capital city of Thimpu in the west and Tashigang in the east, and enhance

Cumulative Bank Lending to Bhutan
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Multisector	2	12.4	28.2
Social Infrastructure	2	10.4	23.7
Transport and Communications	2	9.7	22.1
Agriculture and Agro-Industry	2	7.8	17.7
Finance	1	2.5	5.7
Industry and Non-Fuel Minerals	1	1.2	2.6
Total	10	44.0	100.0



the institutional capacity of the Department of Roads. Altogether, six technical assistance grants totalling over \$2 million were approved, including a grant to prepare a power development project.

Project Implementation: Of the ten loans approved as of end-1993, three had been closed and seven were under implementation, including one awaiting effectiveness. Contracts amounting to \$2 million were awarded during 1993, bringing the cumulative total to \$24.5 million. Disbursements during the year amounted to about \$1.6 million and

brought cumulative disbursements to \$25 million. A shortage of qualified staff, lack of counterpart funds and time-consuming administrative procedures for procurement continued to affect project implementation.

Cambodia

Operational Strategy: In the short term, the Bank's assistance will be concentrated on strengthening the Government's macroeconomic management capability and setting the stage for a market-based development of the economy. Rehabilitation of infrastructure facilities, development of sectoral policies and programs, institution-building and human resource development are among the major areas of attention.

Policy Dialogue: In the light of Cambodia's transition from a centrally planned to a market-oriented economy, discussions between the Bank and the Government touched on reforms in macroeconomic management, the strengthening of government institutions and reforms in the agriculture sector.

Loan and Technical Assistance: The Bank's activity in 1993 was focused mainly on the implementation of the Special Rehabilitation Assistance Loan approved in November 1992, covering agriculture, energy, transport and education. Five technical assistance grants, totalling \$6.4 million, were approved for strengthening the management coordination and supervision of projects in the power and education sectors, undertaking a study on transportation rehabilitation, teacher training and reviewing the agricultural development option and water supply and sanitation needs.

Project Implementation: During the year, contracts amounting to \$4.4 million were awarded, bringing the cumulative total to nearly \$6 million. Disbursements in 1993 totalled over \$5 million.

People's Republic of China

Operational Strategy: Improving economic efficiency, reducing poverty, protecting the environment and conserving natural resources are the objectives of the Bank's operations in PRC. Within this framework, the Bank seeks to assist the Government in continuing and reinforcing market-oriented reforms and in developing institutional systems to support a market economy. It supports the development of efficient financial markets, restructuring of the industrial sector, easing of infrastructure bottlenecks, reduction of energy shortages and efforts to mitigate the adverse environmental impacts of rapid economic growth. In line with the Government's objective of a more balanced regional growth,

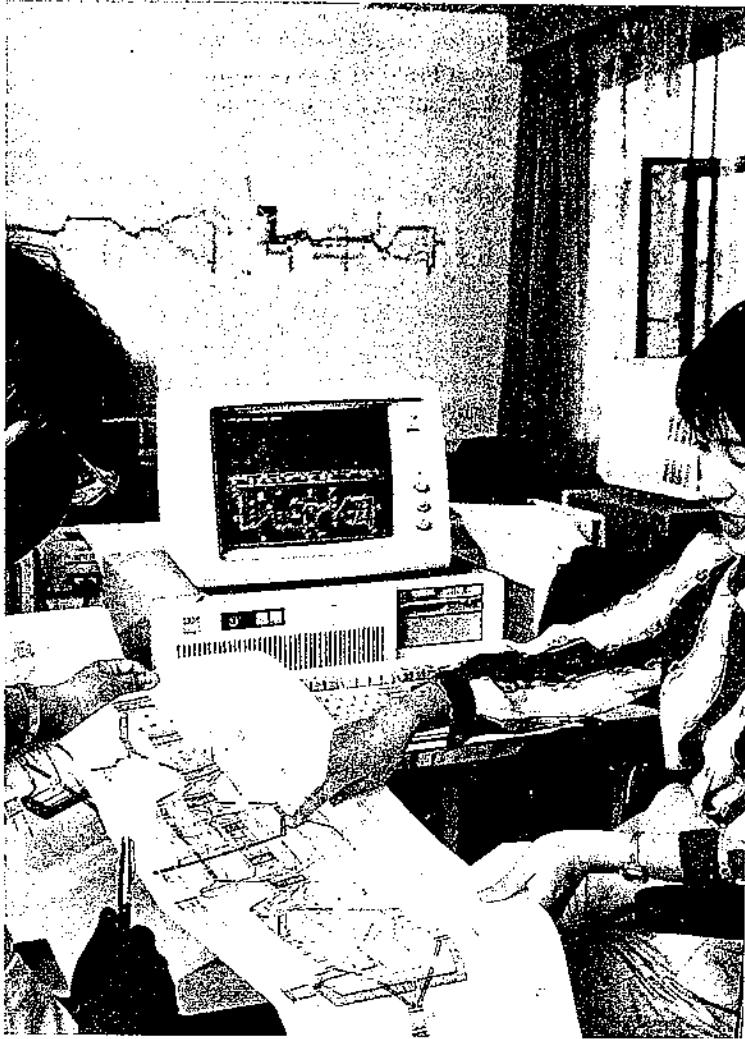
the focus of Bank operations is gradually shifting to poorer inland provinces where the benefits of growth and economic reforms have been less apparent.

Policy Dialogue: Macroeconomic policy dialogue covered a wide range of issues, focusing on monetary, fiscal and financial reforms, industrial restructuring, separating social costs from enterprises and promoting investment, including foreign direct investment, in infrastructure. Reforms to introduce appropriate pricing, distribution and trade policies, and to improve incentives for state enterprises were taken up under the Fertilizer Industry Restructuring (Sector) Project. In the infrastructure sector, policy dialogue centered on increasing efficiency, recovering costs and mobilizing financial resources to meet investment requirements, improving road safety and restructuring the telecommunications subsector to establish a legal framework and introduce

competition. In the power sector, the dialogue reinforced Government initiatives to rationalize policies on energy prices, strengthen power system planning and develop a tariff policy. Operations in the environment sector provided further opportunity to discuss energy price reforms that would encourage energy efficiency and investment in gas exploration and development. Strengthening the regulation of nonbank financial institutions and developing human resources to support market-oriented financial institutions were the focus of discussions in the financial sector.

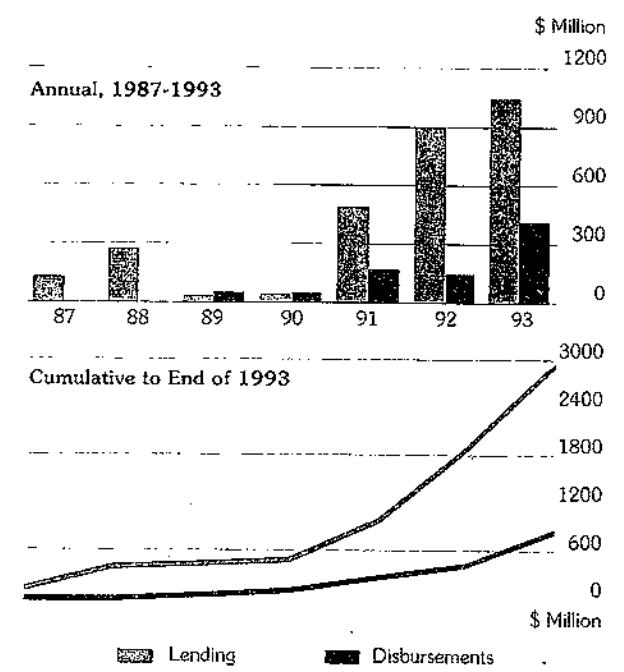
Cumulative Bank Lending to the People's Republic of China
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Transport and Communications	11	1,011.0	34.2
Industry and Non-Fuel Minerals	6	728.3	24.7
Finance	5	470.0	15.9
Energy	5	451.3	15.3
Agriculture and Agro-Industry	3	154.6	5.2
Multisector	1	140.0	4.7
Total	31	2,955.2	100.0



DISCUSSING energy conservation in the People's Republic of China. A Bank technical assistance grant has helped PRC prepare a program for energy conservation in industry.

PRC: Lending and Disbursements



Loans and Technical Assistance: Eight loans totalling \$1,050 million were approved for PRC in 1993. Of these, four were for transport and communications projects (\$410 million), one was for a power project (\$200 million), one was to improve the efficiency of the fertilizer industry (\$250 million), one was for environmental improvement (\$140 million) and one was a line of credit (\$50 million) for onlending to township and village enterprises. Altogether, 38 technical assistance grants were approved for a total amount of \$16 million. Of these, 13 were for the preparation of new projects.

Project Implementation: Of the 31 loans approved for PRC as of end-1993, three had been closed and 28 were under administration, including seven awaiting effectiveness. During the year, contracts amounting to \$449 million were awarded, bringing cumulative contract awards to \$1,031 million. Disbursements amounted to \$421 million, bringing cumulative disbursements to \$883 million. All projects, except for an industrial project, were on schedule and six of them were in advanced stages of completion and initial operation. A country project review mission was undertaken in November to discuss cross-sectoral issues. Four seminars on loan disbursements, procurement and the use of consultants were held by the Bank in PRC.

India

Operational Strategy: The industrialization of the economy, with emphasis on the private sector, and infrastructure development remain the focus of the Bank's strategy in India. Improvements in energy, transport and telecommunications infrastructure are particularly important and the environmental and social impacts of development are addressed.

Policy Dialogue: A wide range of issues in the energy, industry, infrastructure and financial sectors were discussed, exploring the possibilities of increasing the role of market forces and reducing administrative controls. The India Resident Office, opened in December 1992, enhanced the dialogue.

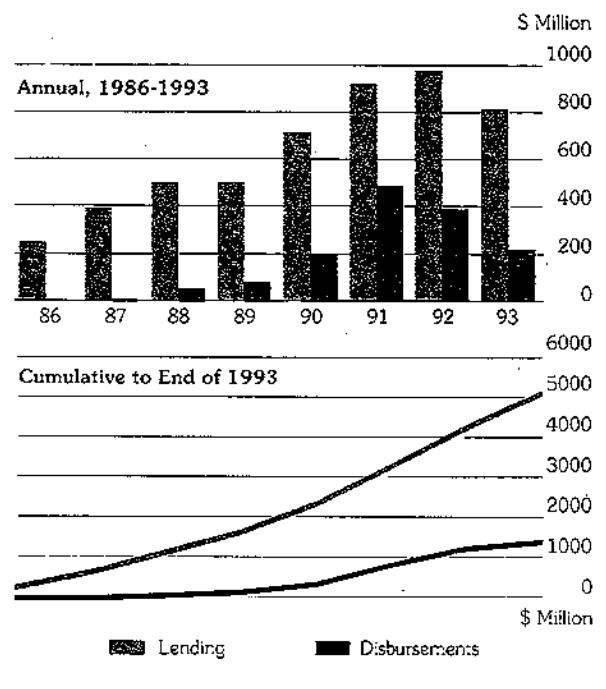
Loans and Technical Assistance: The Bank provided four public sector loans totalling \$818 million and four private sector loans without government guarantee totalling \$60 million. In the public sector, \$560 million was provided for energy and \$258 million for transport and communications. The private sector loans were provided to assist efforts to improve energy efficiency and reduce pollution. The Bank also approved 13 technical assistance grants totalling \$4 million.

Project Implementation: A total of 36 loans were approved for India as of end-1993. Of these, four loans had

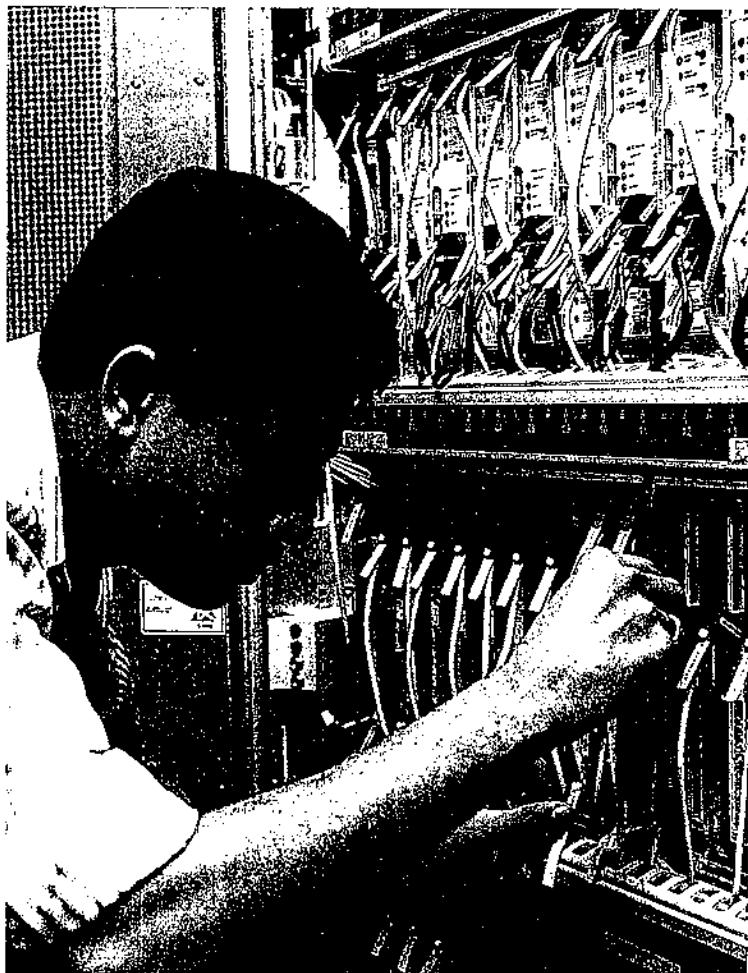
Cumulative Bank Lending to India
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Energy	13	2,413.8	46.9
Transport and Communications	11	1,875.3	36.5
Finance	9	830.0	16.1
Industry and Non-Fuel Minerals	3	25.9	0.5
Total	36	5,145.0	100.0

India: Lending and Disbursements



been closed and 32 were under administration, including eight waiting to become effective. Contract awards totalled \$482 million, bringing the cumulative total to \$1,818 million. Total disbursements for the year amounted to \$223 million, with cumulative disbursements reaching \$1,467 million. As a result of a country project review mission in October, the Government agreed to establish a task force to streamline procurement procedures, monitor aid utilization and review project implementation on a monthly basis, in consultation with the India Resident Office. The Bank approved a technical assistance to help in this matter. The Bank also undertook



INSPECTING equipment at an international telephone gateway in Bombay. The Bank has so far provided two loans totalling \$253 million to modernize India's telecommunications system.

a review of India's loan portfolio and rationalized ongoing loans. A country seminar on procurement was held in August.

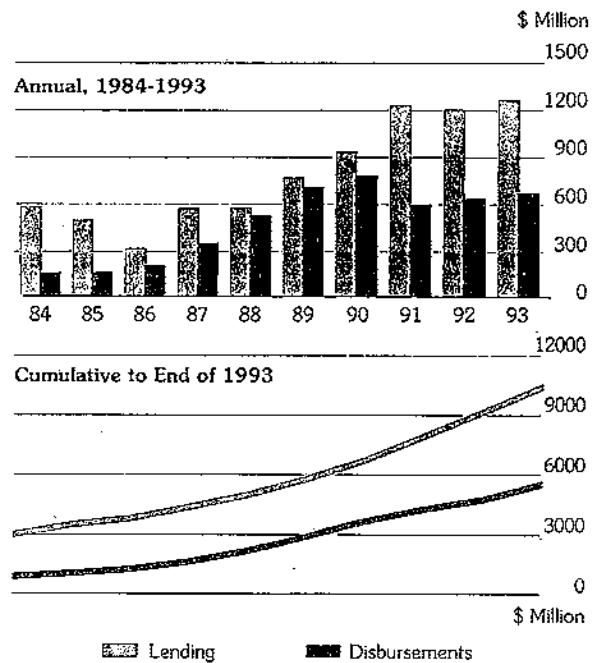
Indonesia

Operational Strategy: The Bank's current operational strategy was revised in late 1989 to conform with the priorities of the Government's Five-Year Development Plan, Repelita V (1989/90-1993/94). Studies were undertaken during the year to prepare for a new operational strategy based on Repelita VI due to be finalized in early 1994. The studies looked at the poverty situation, suggested a framework for performance assessment and analyzed the agriculture, transport and environment sectors, among others. The Bank's goals in Indonesia are to increase the country's international competitiveness by improving physical

Cumulative Bank Lending to Indonesia (As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Agro-Industry	81	3,406.2	32.9
Energy	23	1,903.1	18.4
Urban Development			
Water Supply and Sanitation	21	1,339.4	12.9
Transport and Communications	23	1,295.9	12.5
Education	19	981.4	9.5
Finance	7	940.0	9.1
Industry and Non-Fuel Minerals	12	351.7	3.4
Health and Population	2	80.9	0.8
Multisector	2	51.0	0.5
Total	190	10,349.5	100.0

Indonesia: Lending and Disbursements



infrastructure, developing human resources, promoting sustainable resource management and reducing environment degradation.

Policy Dialogue: Discussions during the year touched on issues concerning cost-recovery, tariff adjustments, operation and maintenance, and institutional strengthening



DRAINAGE channel and footpath constructed under an \$80 million Bank loan for the Botabek Urban Development Project in Indonesia.

in the power, road, airport, telecommunications, education and urban development subsectors. In the financial sector, the Bank's efforts led to the approval of a decree which allows commercial banks to relend the proceeds of loans from multilateral institutions to financial intermediaries in foreign exchange. In the education subsector, the Bank focused on improving equitable access to higher education and decentralized management of the educational system. How to make agriculture sustainable in remote areas like Irian Jaya was another topic of discussion.

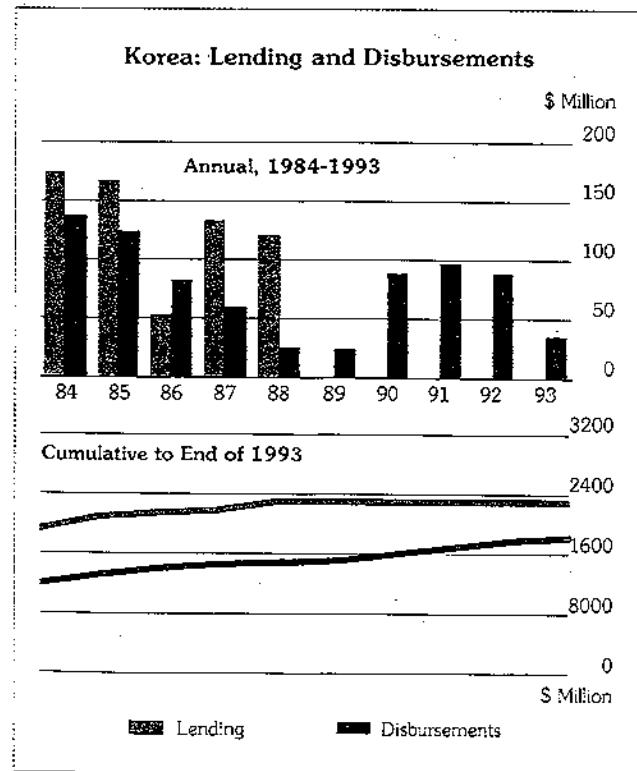
Loans and Technical Assistance: Bank lending to Indonesia during the year totalled \$1,293 million for 12 projects, including three loans amounting to \$62 million from ADF. The sectoral distribution of the loans was as follows: transport and communications \$505 million; energy \$275 million; social infrastructure \$225 million; finance \$200 million; agriculture and agro-industry \$45 million; multisector \$26 million; and industry and nonfuel minerals

\$17 million. In addition, the Bank approved 16 technical assistance grants amounting to \$7.5 million.

Project Implementation: A total of 190 loans were approved for Indonesia as of end-1993. Of these, 117 loans had been closed and 73 were under administration, including six awaiting effectiveness. Contract awards during the year totalled \$935 million, bringing the cumulative total to \$5,828 million. Total disbursements for the year amounted to \$672 million, with cumulative disbursements reaching \$5,440 million. Project implementation continued to be satisfactory with the Indonesia Resident Office (IRO) providing valuable assistance to the Government and executing agencies in resolving problems. A country project review mission, undertaken in May, led the Government to agree to quarterly reviews of ongoing projects in consultation with IRO. A project implementation management seminar was held for executing agency staff.

Korea, Republic of

Project Implementation: Of 79 loans approved for the Republic of Korea (the last in January 1988), only three were still under administration. Contract awards during the year amounted to \$1 million, bringing the cumulative total to \$1,855 million, or 100% of the cumulative net lending. Disbursements during the year amounted to \$38 million,

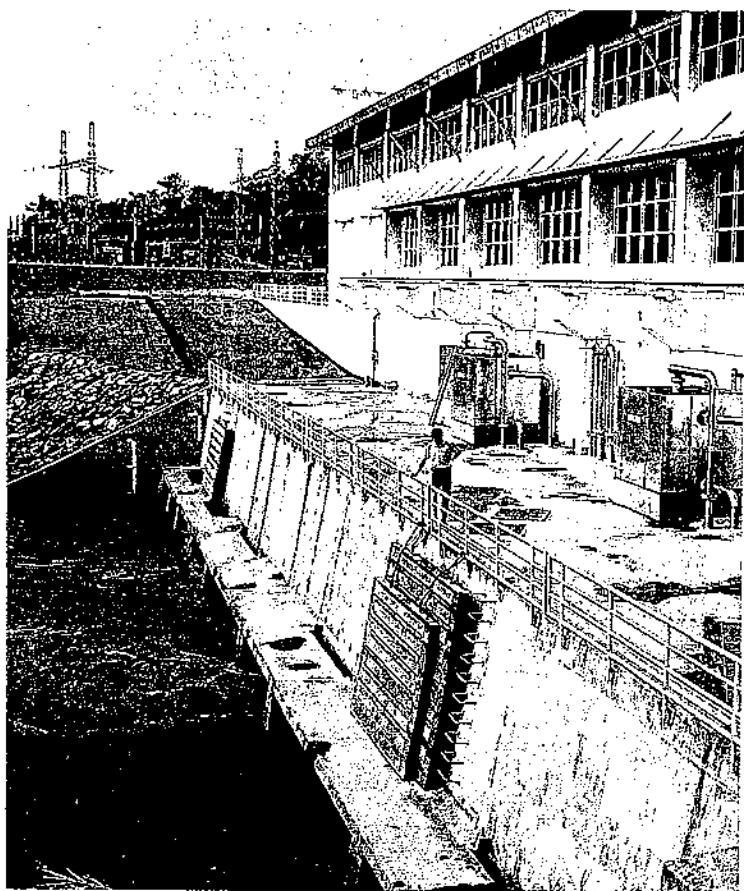


bringing cumulative disbursements to \$1,832 million, or 99% of the cumulative net lending. No major issues delayed project implementation. A shortage of local cost financing was to be settled by fund reallocation.

Lao People's Democratic Republic

Operational Strategy: Policy and administrative reforms necessary to develop competitive markets and encourage private sector investment continue to be the Bank's primary objective in Lao PDR. Two major macroeconomic considerations—the need to mobilize domestic resources and to expand exports—also form part of this strategic thrust. Sectoral investments in Lao PDR will be considered in a regional context. Selective interventions will be made to upgrade social infrastructure (particularly water supply and education) and strengthen institutions.

Policy Dialogue: The Bank continued to encourage financial sector reforms and the privatization of state-owned enterprises. In order to stimulate domestic resource mobilization, strengthen the Government's fiscal position and



THE Xeset hydropower plant in Lao People's Democratic Republic, which received \$18.5 million in concessional Bank financing.

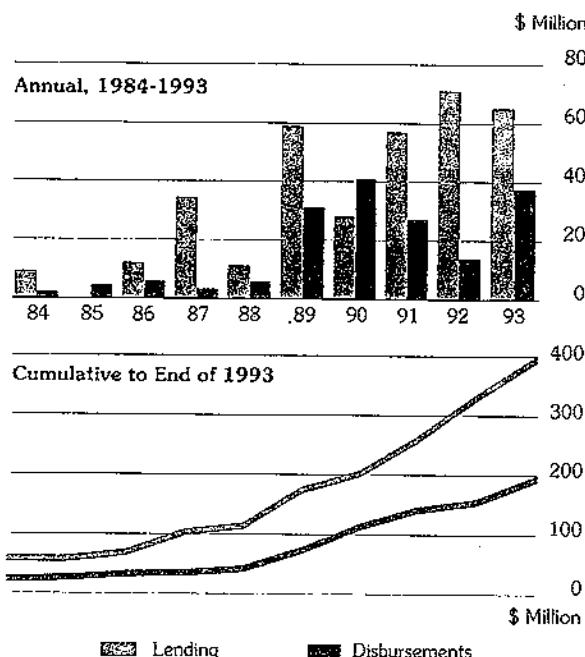
diversify export earnings, policy dialogue at the sectoral level was focused on removing price distortions, improving operational efficiency and developing cost-recovery mechanisms for public services.

Loans and Technical Assistance: Four loans totalling \$65 million were approved in 1993: two for the transport and communications sector, one for the agriculture sector and one for social infrastructure. In addition, the Bank approved 19 technical assistance grants for a total of \$10 million, of which six were for project preparation and 13 were advisory in nature.

Cumulative Bank Lending to Lao PDR (As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Transport and Communications	7	153.0	38.5
Agriculture and Agro-Industry	8	91.0	22.9
Energy	9	77.3	19.4
Social Infrastructure	5	51.4	12.9
Finance	1	25.0	6.3
Total	30	397.7	100.0

Lao PDR: Lending and Disbursements



Project Implementation: Of the 30 loans approved for Lao PDR as of end-1993, 16 had been closed and 14 were under administration. During the year, contracts amounting to \$44 million were awarded, bringing the cumulative total to \$238 million. Disbursements in 1993 totalled \$39 million and cumulative disbursements amounted to \$198 million.

Malaysia

Operational Strategy: The Bank's operational strategy for Malaysia takes into account the country's strong economic performance and the Government's objective of growth with equity as set out in the Second Outline Perspective Plan (1991-2000) and the Sixth Malaysia Plan (1991-1995). The strategy emphasizes improvements in social and physical infrastructure to support a private sector-led expansion of the economy and aims at poverty reduction



A CARPENTRY class in Malaysia under the Third Vocational Education Project. The Bank has approved three loans totalling \$147 million for vocational education projects in Malaysia.

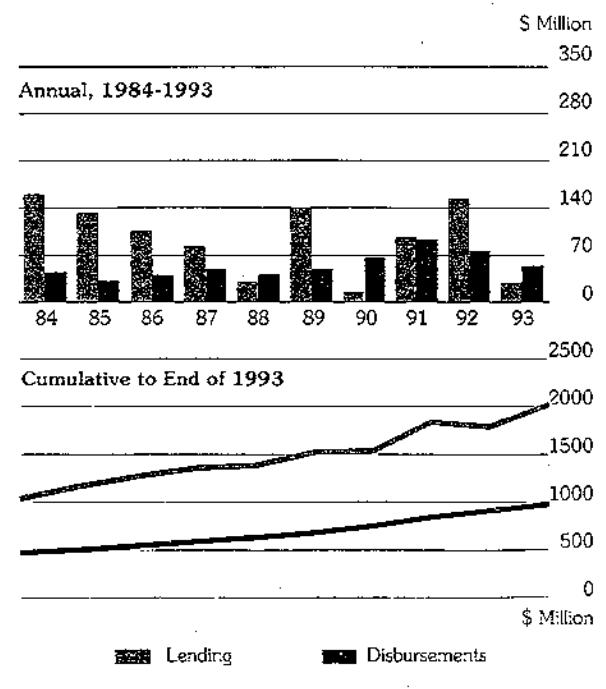
through production-oriented, targeted projects and programs. It also promotes environmental protection and improvement to ensure sustainable economic development.

Policy Dialogue: The questions of privatizing power utilities and the necessary regulatory framework were among the issues discussed during the year. The Bank supported the Government's efforts at strengthening planning and administrative capacities in environmental conservation and

Cumulative Bank Lending to Malaysia
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Agro-Industry	25	543.4	29.8
Energy	11	321.5	17.6
Urban Development, Water Supply and Sanitation	13	310.3	17.0
Transport and Communications	15	255.1	14.0
Health and Population	3	181.5	9.9
Education	3	146.8	8.0
Industry and Non-Fuel Minerals	1	53.0	2.9
Finance	1	15.0	0.8
Total	72	1,826.6	100.0

Malaysia: Lending and Disbursements



protection. It assisted in developing environmental impact assessment guidelines for key sectors and urban transport planning. Income-generating schemes for rural areas and the provision of rural credit were supported.

Loan and Technical Assistance: The Bank approved one loan of \$28.5 million during the year for a project to increase rural income, improve the productivity of agricultural labor and optimize use of existing agricultural land. Five technical assistance grants amounting to \$2 million were also approved.

Project Implementation: Of the 72 loans approved as of end-1993, 59 had been closed and 13 were under administration, including one awaiting effectiveness. Contract awards for the year amounted to \$75 million, bringing cumulative contract awards to \$1,046 million. Disbursements amounted to \$57 million, with cumulative disbursements reaching \$981 million.

Maldives

Operational Strategy: In its operations in Maldives, the Bank concentrates on the power and transportation (ports) sectors, where its investments have contributed to economic development around the capital city of Malé. Technical assistance is focused mainly on institutional strengthening in the same sectors. However, as a result of a Bank-financed study for a Perspective Plan for the period 1994-2005, the operational strategy will in future shift toward human resource development, environmental management and a regional approach to development.

Policy Dialogue: While policy dialogue on institutional aspects of the power, ports and financial sectors was continued, the agenda was broadened in the context of studies for the Perspective Plan to include human resource development and environmental management.

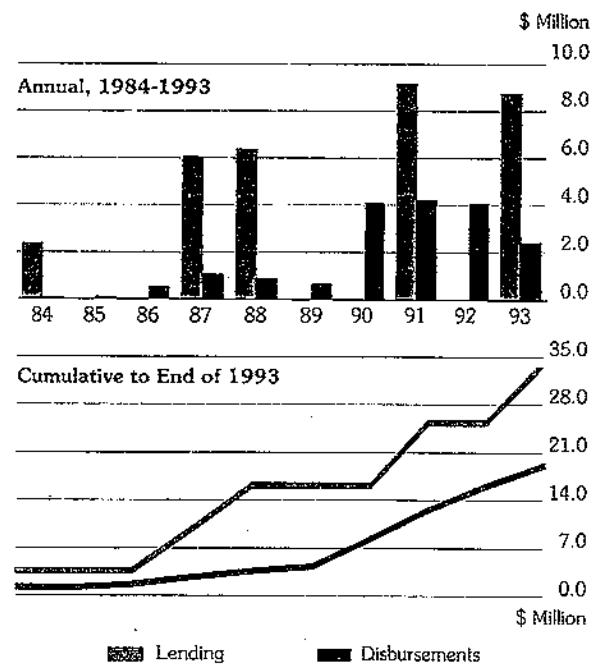
Loan and Technical Assistance: An \$8.8 million loan and a \$200,000 technical assistance grant were provided to extend and upgrade Malé port. Two other technical assistance grants totalling \$190,000 were approved, one for institutional strengthening in the ports subsector and the other for the preparation of a power project.

Project Implementation: As of end-1993, the Bank has provided six loans amounting to \$34 million, of which two had been closed and four were under implementation. Contract awards in 1993 amounted to \$3 million, bringing the cumulative total to \$20 million. Disbursements for the year amounted to over \$2 million, with cumulative disbursements reaching \$19 million.

Cumulative Bank Lending to Maldives
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Transport and Communications	3	16.2	47.8
Energy	2	15.3	45.2
Multisector	1	2.4	7.0
Total	6	33.9	100.0

Maldives: Lending and Disbursements



Mongolia

Operational Strategy: The Bank seeks to assist the Government in continuing and reinforcing reforms to create a competitive and efficient economy, develop human resource skills, support market development and offset the social costs of transition from a centrally-planned to a market economy.

Policy Dialogue: Discussions were focused on encouraging market forces, privatization, the legal framework, the restructuring of sector institutions, commercial orientation for the financial sector, and regulations inhibiting the industrial

sector. The social adjustment costs of the transition were also covered, focusing on the role of small private enterprises in creating job opportunities. Another topic was the restructuring of the air transport sector, including deregulation, safety improvement, cost recovery and financial viability.

Loans and Technical Assistance: Three loans totalling \$69 million were approved in 1993: a program loan of \$30 million to promote efficiency and competitiveness in the industrial sector; a \$3 million line of credit for onlending to private sector micro-enterprises to create jobs; and a \$36 million loan to upgrade the infrastructure at Ulaanbaatar Airport. In addition, 10 technical assistance grants amounting to about \$5 million were approved, of which three were for project preparation and seven for advisory and operational purposes.

Project Implementation: As of end-1993, five loans had been approved for Mongolia, of which four were under implementation. Contract awards and disbursements during the year amounted to \$5 million and \$11 million, respectively.

Myanmar

Operational Strategy: The Bank continues to monitor economic developments in Myanmar and an operational strategy will be formulated when appropriate.

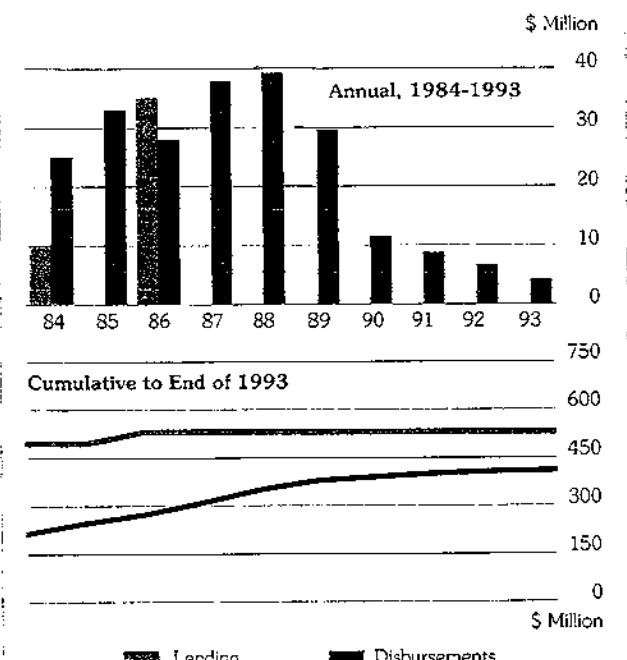
Loan and Technical Assistance: No loan has been provided to Myanmar since 1986 and no technical assistance since 1987.

Project Implementation: Of the 32 loans approved till 1986, only one was still under implementation. Contract

Cumulative Bank Lending to Myanmar
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Agro-Industry	15	316.1	59.5
Health and Population	2	63.1	11.9
Transport and Communications	2	42.5	8.0
Urban Development, Water Supply and Sanitation	4	36.0	6.8
Energy	5	31.8	6.0
Industry and Non-Fuel Minerals	2	21.4	4.0
Finance	2	20.0	3.8
Total	32	530.9	100.0

Myanmar: Lending and Disbursements



awards during 1993 amounted to about \$4 million, bringing cumulative contracts to \$419 million. Disbursements totalled \$4.5 million, with cumulative disbursements reaching \$412 million.

Nepal

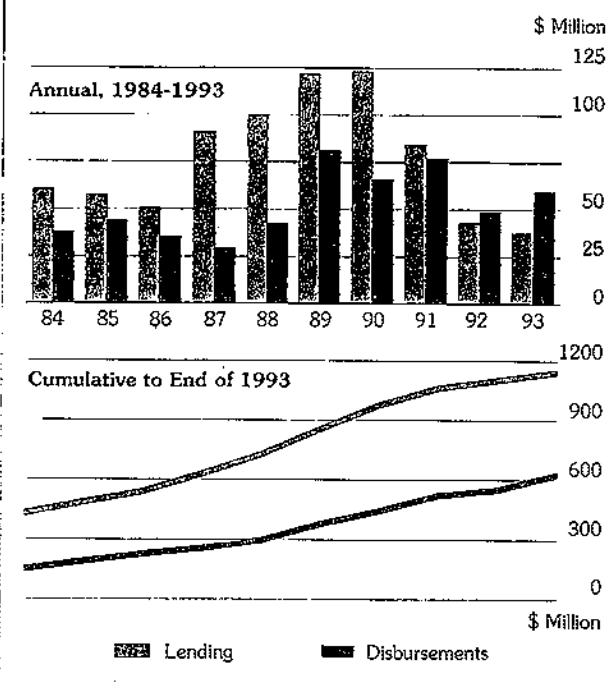
Operational Strategy: To promote broad-based economic growth as a means of reducing poverty, the Bank will emphasize agriculture, industry, tourism, physical infrastructure and power sectors. While encouraging policy reforms to develop the private sector and strengthen macroeconomic management, basic social services and human resource development will be supported to enable the poor to benefit from and contribute to economic growth. As poverty and environmental degradation are closely interlinked, the Bank will support efforts to improve and protect the environment, mainly through technical assistance.

Policy Dialogue: Policy discussions covered a wide range of sectors. The Bank cooperated with the International Development Association to improve the institutional, financial and technical viability of power sector institutions in preparing for the implementation of the country's hydropower development program. Close attention was paid to investment needs in the social sectors. The Government was encouraged to increase its reliance on market forces and promote private

Cumulative Bank Lending to Nepal
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Agro-Industry	43	609.1	52.9
Energy	10	185.9	16.2
Transport and Communications	10	157.7	13.7
Industry and Non-Fuel Minerals	5	75.1	6.5
Education	5	56.1	4.9
Urban Development,			
Water Supply and Sanitation	4	56.0	4.9
Others	1	10.4	0.9
Total	78	1,150.3	100.0

Nepal: Lending and Disbursements



sector participation in the country's industrial development. The discussions also touched upon the need to prioritize ongoing projects, develop better criteria for new projects and improve the budgeting process.

Loans and Technical Assistance: In 1993, the Bank approved three loans for Nepal totalling \$37.5 million: a \$20.5 million loan to support reforms in the industrial



THESE Nepalese women, processing jute yarn, benefited from the Third Small Farmers Development Project, funded by a \$30 million concessional loan through the Agricultural Development Bank of Nepal.

sector; a \$5 million loan for a microcredit project for women; and a \$12 million loan for urban development in Kathmandu. In addition, 16 technical assistance grants totalling \$6 million were approved.

Project Implementation: Of the 78 loans approved for Nepal as of end-1993, 45 had been closed and 33 were under implementation, including one awaiting effectiveness. Contract awards in 1993 totalled \$90 million, resulting in a cumulative total of \$692.5 million. Disbursements for the year totalled \$67 million, with cumulative disbursement standing at \$640 million. Both contract awards and disbursements improved in 1993 due to the Government's efforts to address project implementation constraints and its commitment to improving the utilization of development assistance.

The amendments to the Financial Rules and Regulations and the project prioritization exercise reflected this commitment. The Nepal Resident Office played a vital role in assisting the Government and executing agencies in project administration and on various aspects of Bank operations in the country. A country project review mission was undertaken in October-November and a workshop on disbursement procedures was held in Kathmandu in November.

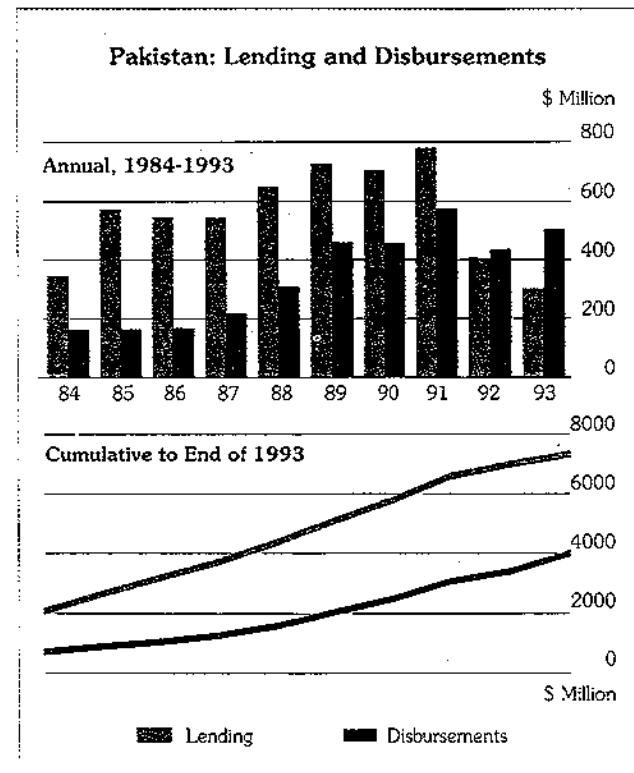
Pakistan

Operational Strategy: The Bank's operational strategy for Pakistan supports the development priorities of the Government's Eighth Five-Year Plan (1994-1998), emphasizing greater economic deregulation. Public investment in agriculture as well as in social and physical infrastructure will be encouraged. A new operational strategy is now under preparation. While continuing to support infrastructure development and policy reforms towards a market-oriented economy, the Bank will emphasize human resource development as an essential element of sustainable and equitable growth. Greater private sector participation in the energy, infrastructure and transport and communications sectors will be supported. In view of fiscal constraints expected to prevail in the economy for several years, Bank assistance will emphasize self-financing and revenue-raising projects to minimize any adverse impact on the budget.

Policy Dialogue: Following the Government's compliance with the conditions stipulated under the Agriculture Program loan, policy discussions on the agriculture sector were focused on further elimination of input/output subsidies, rationalization of the pricing structure and cost recovery to allow increased self-financing of the system's operation and maintenance costs. In industry, the Bank encouraged a friendlier policy environment for private sector-oriented development. The Bank will work with the Government to further rationalize the tariff regime, remove the remaining institutional and policy obstacles to exports and create a truly export-oriented trade regime. The Bank's discussions on the financial sector centered on the development of capital markets and financial intermediaries, policy reforms to facilitate the flow of domestic and foreign investments, the adoption of open-market operations by the State Bank of Pakistan and the strengthening of its institutional capabilities. In the energy sector, the discussions continued to focus on the development of an appropriate regulatory framework, institutional development, financial viability of power corporations and reduction of power losses. Increased private sector role in hydrocarbon development and in electricity generation was encouraged. In the transport sector, changes in the regulatory environment to encourage greater private sector involvement were emphasized, particularly in the ports subsector. Institution building, cost recovery, project sustainability and promotion

Cumulative Bank Lending to Pakistan
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Agro-Industry	46	2,361.9	32.1
Energy	39	2,175.0	29.6
Finance	28	1,032.0	14.0
Transport and Communications	9	582.0	7.9
Urban Development,			
Water Supply and Sanitation	7	339.7	4.6
Industry and Non-Fuel Minerals	10	321.4	4.4
Education	6	254.1	3.4
Health and Population	5	146.4	2.0
Multisector	2	144.0	2.0
Total	152	7,356.5	100.0

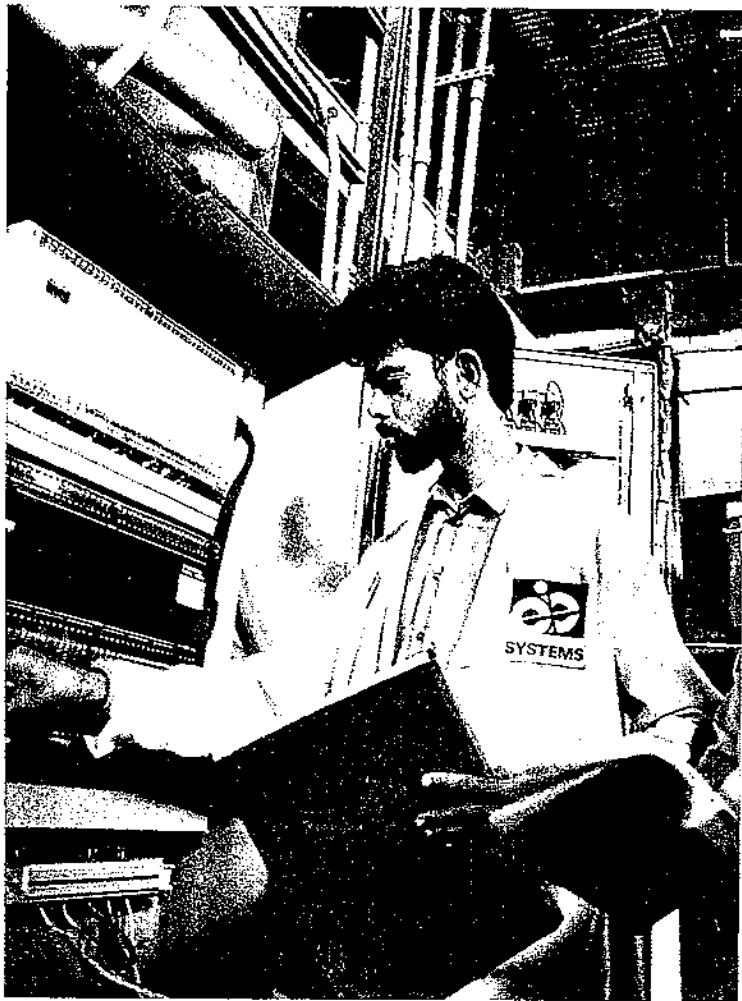


of the role of women were among the Bank's concerns in the social sector.

Loans and Technical Assistance: Five loans totalling \$322 million were approved during the year: \$175 million for three social infrastructure projects; \$128 million for an agriculture project; and \$19 million for a private sector oil

company. In addition, six technical assistance grants amounting to \$4 million were approved.

Project Implementation: Of the 152 loans approved as of end-1993, 76 had been closed, and 76 were under administration, including four awaiting effectiveness. Contract awards during the year amounted to \$784 million, bringing cumulative contract awards to \$4,486 million. Disbursements for the year totalled \$555 million, with cumulative disbursements reaching \$4,122 million. The Pakistan Resident Office continued to assist in project preparation and implementation. It took a lead role in the conduct of provincial and federal project review meetings, held twice yearly. For the first time, a country programming mission was fielded to coincide with the country project review mission to ensure the resolution of cross-sectoral issues affecting project performance.



MONITORING emission control and waste systems at a private factory in Pakistan. The Bank has channeled six loans totalling \$410 million through development finance institutions in the country for financing industrial development projects in the private sector.

Philippines

Operational Strategy: The Bank's revised strategy in the Philippines is focused on the promotion of economic growth. Benefits in the near term will result from an emphasis on greater private sector involvement in the economy and an increased interaction with international markets to promote a more open economy. In the medium term, increased support will be provided for infrastructure investment and sustainable development of natural resources. Investment in support of the environment is a key element of the strategy designed to raise the potential for growth in the long term. The strategy will also promote human resource development in the health and education sectors.

Policy Dialogue: A wide range of policy issues was discussed with the Government in 1993 during the processing of the Bank's operational program. In particular, the discussions covered micro-policy issues in various sectors and structural bottlenecks that contributed to institutional inefficiencies. Under the Nonformal Education (NFE) Project, important measures were initiated to promote the involvement of community-based organizations and local governments. The dialogue during the processing of the Municipal Water Supply Project was focused on initiating reforms to improve sector efficiency and sustainability, institutionalize the community management approach to water district project design and implementation, and reduce wastage and leakage. As in other recent Bank loans to the National Power Corporation (NPC), the processing of the Power Transmission Project provided an opportunity to emphasize privatization, financial recovery, rationalization of tariffs, institutional reforms, and environmental and social dimensions. Discussions were also held on the impact of the Local Government Code on Bank operations, capital market development, and trade liberalization and pricing policies in agriculture.

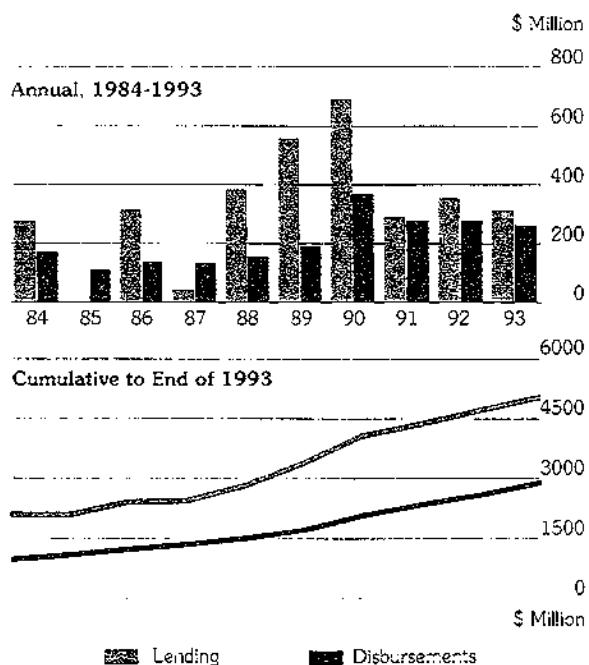
Loans and Technical Assistance: Seven loans were made to the Philippines in 1993 for a total of \$318.5 million, including four private sector loans without government guarantee. The sectoral distribution of the loans was as follows: \$68.4 million for two social infrastructure projects; \$230.5 million for three energy sector projects, including two in the private sector; \$4.6 million for an agro-industrial project in the private sector; and \$15 million for an industrial project, also in the private sector. During the year, the Bank also approved 16 technical assistance grants amounting to about \$6.5 million.

Project Implementation: Of the 135 loans approved for the Philippines as of end-1993, 89 had been closed and 46 were under administration, including six waiting to become effective. Contract awards totalled \$206.5 million, bringing the cumulative total to \$2,960 million. Total

Cumulative Bank Lending to the Philippines
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Energy	23	1,516.9	30.0
Agriculture and Agro-Industry	49	1,375.4	27.2
Transport and Communications	20	696.4	13.8
Urban Development:			
Water Supply and Sanitation	15	548.8	10.8
Finance	13	445.0	8.8
Multisector	6	283.7	5.6
Education	5	154.1	3.0
Industry and Non-Fuel Minerals	4	42.8	0.8
Total	135	5,063.0	100.0

Philippines: Lending and Disbursements



disbursements for the year amounted to \$294 million and cumulative disbursements reached \$2,950 million. To avoid delays at the beginning of the implementation process, there is a need for thorough project preparation and implementation planning. As a result of the country project review mission undertaken in July, the Government agreed to undertake remedial actions, including a systematic quarterly review of implementation problems with concerned agencies.



THE Bank-supported NGO-Microcredit Project has helped this woman in Mindanao, Philippines, develop a small business of her own marketing bananas. The Bank has so far provided two NGO-Microcredit loans to the Philippines, totalling \$38 million.

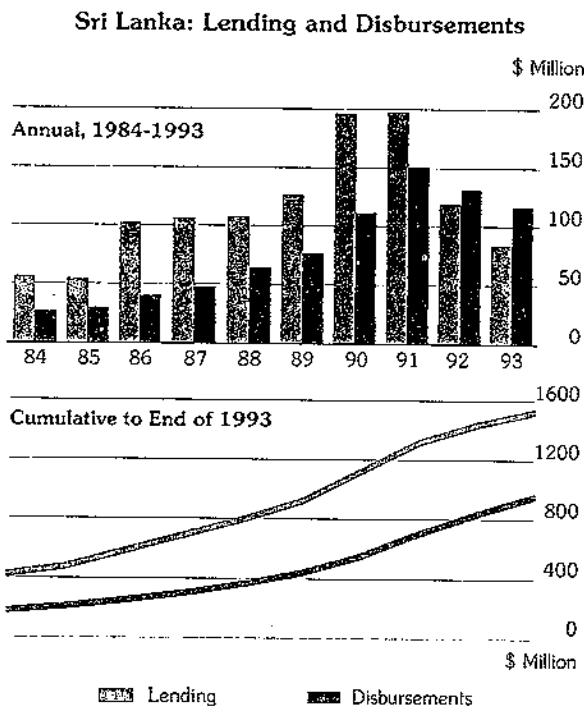
Sri Lanka

Operational Strategy: The Bank's operational strategy for Sri Lanka was revised in 1993. While generally adhering to previous approaches, it emphasizes economic growth as the most effective way to solve the problems of unemployment and poverty, and calls for removing distortions which presently limit the poor's access to income and employment opportunities. The strategy also addresses the issue of environmental sustainability to ensure that adverse effects of economic growth are minimized.

Policy Dialogue: The Bank continued to emphasize the need to increase economic efficiency, enhance the role of the private sector and improve the performance of public utilities. There was extensive dialogue on the financial sector in connection with the proposal for a second Financial Sector Program loan. The Second Water Supply and Sanitation Project provided an opportunity to focus on rationalizing the Government's policy in the water sector, improving the

**Cumulative Bank Lending to Sri Lanka
(As of 31 December 1993)**

Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Industry	33	664.9	44.1
Finance	10	261.0	17.3
Energy	7	161.8	10.7
Transport and Communications	8	137.3	9.1
Urban Development, Water Supply and Sanitation	4	117.0	7.8
Education	5	111.1	7.4
Health and Population	2	35.4	2.3
Multisector	1	14.7	1.0
Industry and Non-Fuel Minerals	2	5.2	0.3
Total	72	1,508.3	100.0



technical and financial performance of the National Water Supply and Drainage Board (NWSDB), and devolving some of NWSDB's functions to local authorities. The dialogue during processing of the loan for the Secondary Education Development Project dealt with changes in the education system to improve administrative efficiency and the quality of service. Under the Financial Management Training Project, discussions on the rationalization of the Government's accounting procedures and the devolution of financial responsibility to the administrative division level were continued.

Loans and Technical Assistance: Three loans amounting to \$84 million were approved in 1993, all of them in the social infrastructure sector. In addition, four technical assistance grants totalling about \$1.5 million were approved, of which one was for project preparation and the others were advisory in nature.



THIS family is among thousands of landless and migrant farming families in Sri Lanka who have benefited from the Kirindi Oya Irrigation and Settlement Project. The Bank has provided three loans totalling \$60.6 million for the resettlement of marginal families and construction of basic infrastructure in the project area.

Project Implementation: Of the 72 loans approved as of end-1993, 42 had been closed and 30 were under administration, including one yet to become effective. Contract awards during the year amounted to \$111 million, bringing the cumulative total to \$993 million. Disbursements during the year amounted to \$126 million, with cumulative disbursements amounting to \$949 million. A country project review mission was undertaken during the year to discuss project implementation constraints with the Government. Project implementation continued to suffer because of procurement difficulties and the peace and order situation.

Thailand

Operational Strategy: The Bank's objective is to assist the country in developing long-term competitiveness for sustained and balanced economic growth. The emphasis will be on the development of physical infrastructure, particularly in underdeveloped regions; enhancement of human resources; and effective management of the environment and natural resources. Appropriate measures will be encouraged to mitigate adverse environmental effects of ongoing activities.

Policy Dialogue: The Bank's policy dialogue in Thailand has been aimed at supporting privatization, conserving energy and managing energy demand, improving the management efficiency of state enterprises and introducing corrective measures such as tariff increases, debt restructuring and organizational reforms. Policy and institutional issues in the fields of education and skills development, environment and natural resources, and regional development are also addressed.

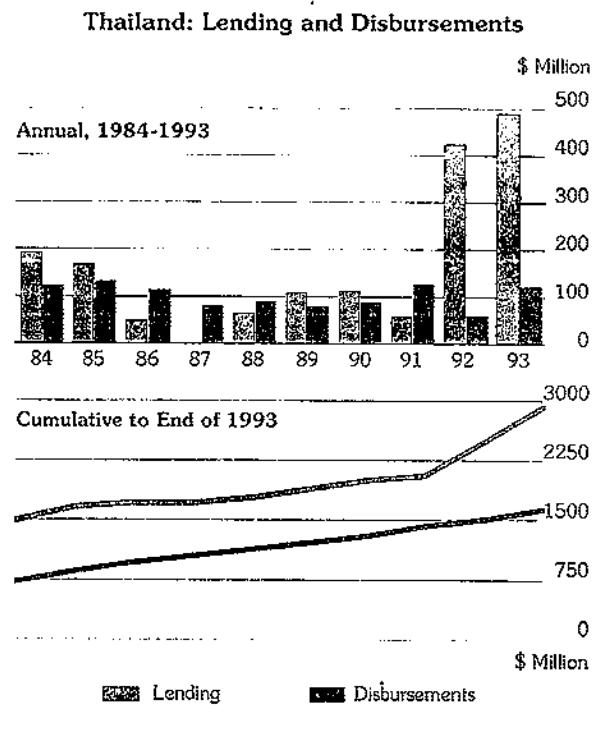
Cumulative Bank Lending to Thailand
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Energy	27	1,582.3	53.0
Transport and Communications	14	764.5	25.6
Urban Development:			
Water Supply and Sanitation	6	279.5	9.4
Agriculture and Agro-Industry	10	159.1	5.3
Finance	6	140.0	4.7
Industry and Non-Fuel Minerals	1	39.0	1.3
Education	3	21.4	0.7
Total	67	2,985.8	100.0



CEMENTING a highway in Thailand's Central Region. The Bank has provided Thailand with eight loans totalling \$435 million to improve highway operation, maintenance and management.

Loans and Technical Assistance: Five loans totalling \$484 million were approved during 1993, including one private sector loan without government guarantee. Four of the loans were in the energy sector (\$400 million) and one loan (\$84 million) was for a rural telecommunications project. Six technical assistance grants were also approved for a total of \$2 million, one of which supported project preparation and five were advisory in nature.

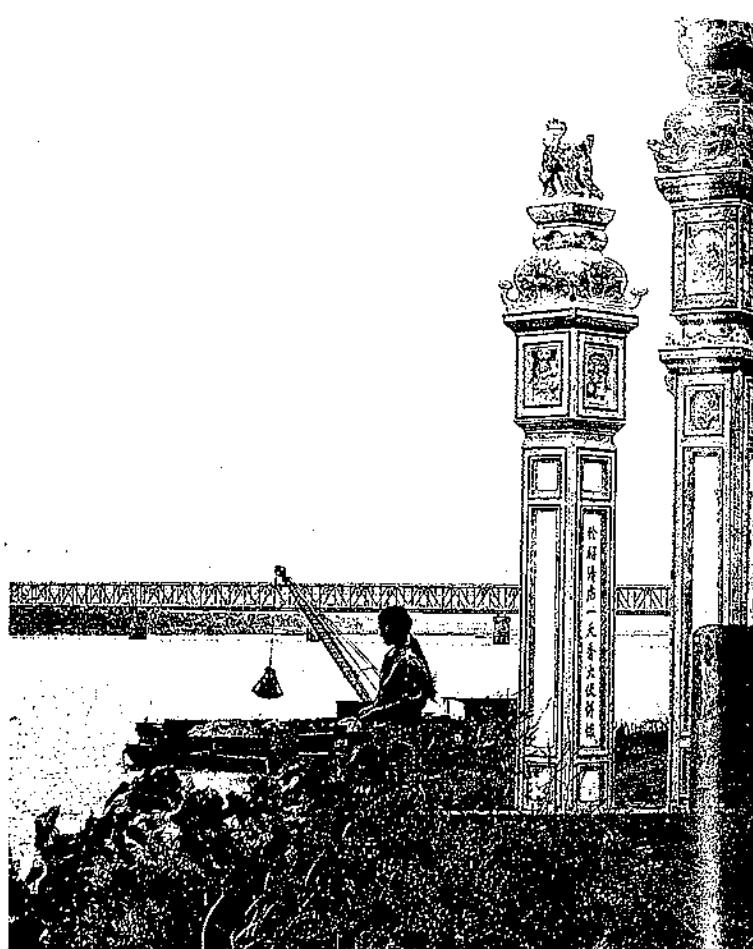


Project Implementation: Of 67 loans approved as of end-1993, 52 had been closed and 15 were under administration. Contracts amounting to \$135 million were awarded during the year, bringing the cumulative value of contract awards to \$1,703 million. Disbursements totalled \$138 million, with cumulative disbursements reaching \$1,660 million.

Viet Nam

Operational Strategy: The Bank, which resumed operations in Viet Nam during the year, follows an interim operational strategy for the country, pending the preparation of a full-fledged strategy. The interim strategy is designed to help overcome key constraints facing the economy. It will support the rehabilitation and development of the country's physical infrastructure, macroeconomic and sectoral policy reforms to improve management in the public sector and the promotion of the private sector. The Bank also supports measures to boost domestic resources through financial sector reforms, institutional restructuring and cost recovery, and promotes social sector activities, human resource development and environmental preservation.

Policy Dialogue: Discussions during the year touched on economic management and reforms, domestic resource mobilization and policy reforms in the financial sector. In



REPAIR of dykes, under a \$76.5 million Bank loan for the Irrigation and Flood Protection Rehabilitation Project in Viet Nam, will also help save the old Dinh Chem temple in Hanoi.

Cumulative Bank Lending to Viet Nam (As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Transport and Communications	3	126.2	41.2
Agriculture and Agro-Industry	6	97.0	31.7
Urban Development,			
Water Supply and Sanitation	3	69.6	22.8
Finance	1	7.0	2.2
Energy	1	6.3	2.1
Total	14	306.1	100.0

addition, consultations were held on specific policy issues in the agriculture, water supply and transportation sectors.

Loans and Technical Assistance: The Bank resumed its lending operations in Viet Nam during the year with the approval of three loans totalling \$261.5 million. These included \$76.5 million for a project in the agriculture sector; \$120 million for a project in the transport and communications sector; and \$65 million for a project in the social infrastructure sector. In addition, 11 technical assistance grants were approved for a total of \$10 million, of which two were for project preparation and nine were advisory in nature.

Project implementation: Of the 14 loans approved for Viet Nam as of end-1993, nine had been closed and five were under administration. No contract awards or disbursements were made during the year. A project implementation management seminar, the first ever organized by the Bank in Viet Nam, was held in Hanoi in October.

Pacific Island DMCs

As of end-1993, the Bank's operations in the Pacific region covered ten countries. Tuvalu joined the Bank during the year as its newest DMC. The South Pacific Regional Office (SPRO) looks after eight South Pacific DMCs (Cook Islands, Fiji, Kiribati, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa). It deals with project administration, country programming, economic and sector work, operational strategy studies and aid coordination. During the year, SPRO sent a contact/economic mission to Tuvalu to prepare the Bank's first economic report and technical assistance project in that country. The Bank approved a second regional technical assistance project to help South Pacific DMCs improve their policy formulation capabilities and to provide a basis for policy dialogue between them and donor agencies. Under the Pacific Island Economic Report series, studies were undertaken for Cook Islands, Solomon Islands and Tuvalu, while work commenced on sector studies for Fiji and Western Samoa. These studies will provide useful inputs for round table meetings organized by UNDP and regional economic reports prepared by the World Bank.

The Bank undertook a review of SPRO's performance in relation to its expanded mandate as an operational office. Its conclusion was that SPRO remained the most effective way for the Bank to meet its obligations to the many small countries of the South Pacific.

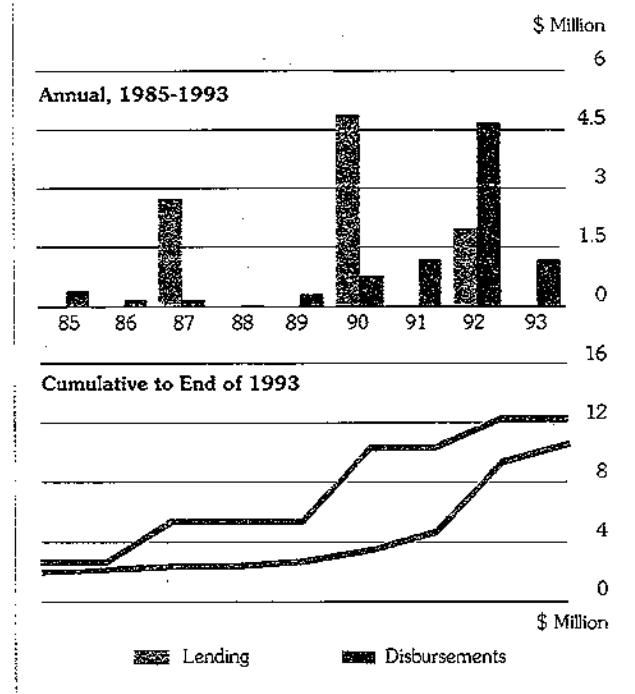
Cook Islands

Operational Strategy: The Bank's goals in Cook Islands are to assist in the creation of employment opportunities, especially in the outer islands, and promote the private sector to lessen the economy's dependence on

Cumulative Bank Lending to Cook Islands
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Transport and Communications	2	5.4	44.4
Multisector	2	3.8	30.9
Finance	2	3.0	24.7
Total	6	12.2	100.0

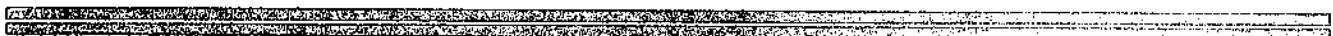
Cook Islands: Lending and Disbursements



Government. Related concerns include the development of infrastructure, improvement of human resources, protection of the environment and institution building.

Policy Dialogue: Policy discussions during the year took up fiscal, planning and economic strategy issues, the relative roles of the public and private sectors, and potential debt-servicing problems. Specific discussions took place in relation to pearl farming, agribusiness and education.

Loan and Technical Assistance: No loan was made in 1993. A technical assistance grant of \$265,000 was approved to review agribusiness in the private sector.



Project Implementation: Of the six loans approved as of end-1993, three had been closed and three were under administration. Contract awards in 1993 totalled \$550,000 while disbursements amounted to \$1.4 million. Cumulative contract awards and disbursements reached \$10.5 million and \$11 million, respectively. Lack of qualified staff, high staff turnover, weakness in management and deficient accounting systems were found to affect project implementation.

Fiji

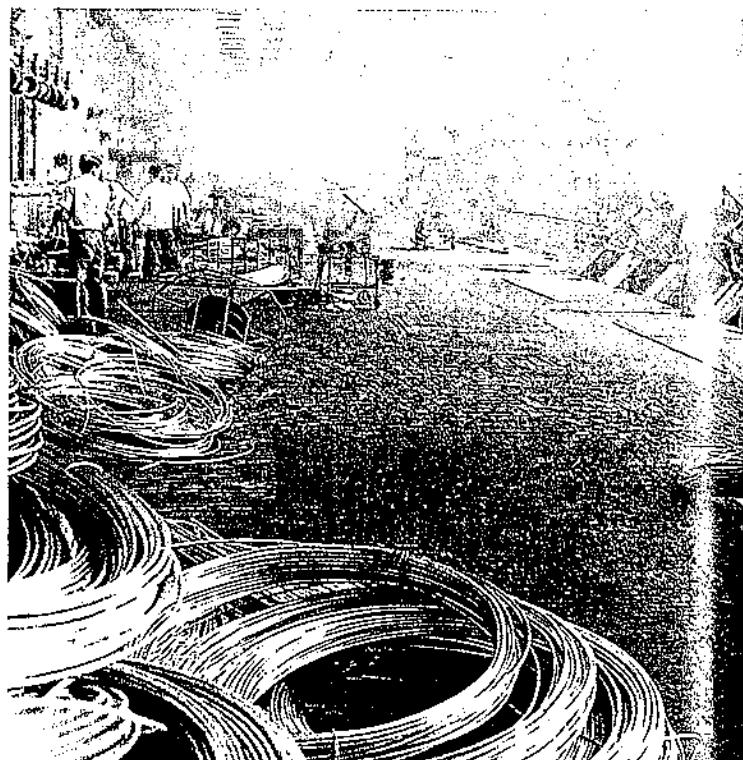
Operational Strategy: The Bank supports policy reforms based on greater market orientation and assistance to the private sector. Specifically, it encourages capital market development, broader agricultural and manufacturing activities, and the development of physical infrastructure to support economic activities. Technical assistance is provided to strengthen institutions, development planning, implementation capabilities and analyses of sectoral issues.

Policy Dialogue: Discussions related to the development of capital markets through an easing of regulatory controls. The Government is committed to deregulate the agriculture sector. A technical assistance grant was approved for the Ministry of Agriculture, Fisheries and Forestry to develop a management information system. The need for coordination among all sectors was stressed.

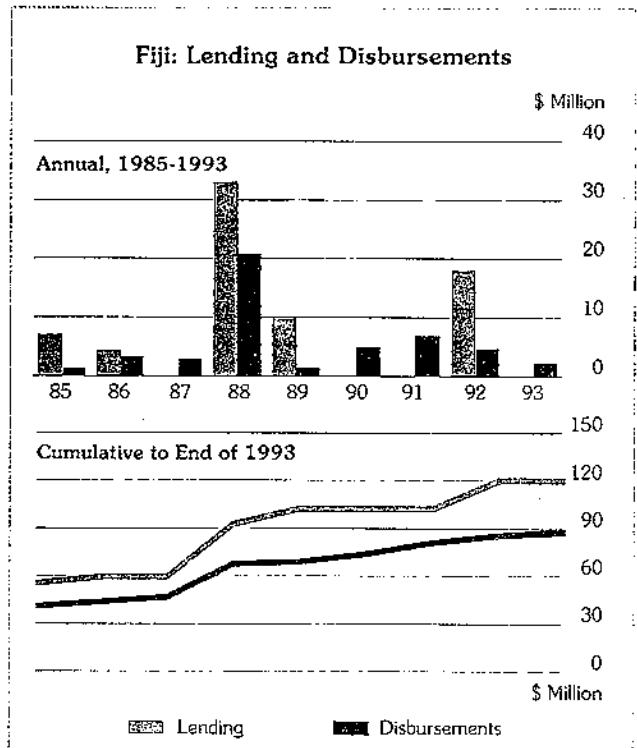
Loan and Technical Assistance: No loan was made in 1993, but four technical assistance grants were approved for a total of \$1.4 million. The grants were intended to prepare a socioeconomic database on women, study the development of capital markets and strengthen the institutional capabilities of the Ministry of Agriculture, Fisheries and Forestry.

Cumulative Bank Lending to Fiji (As of 31 December 1993)

Sector	No. of Loans	Amount of	
		Loans (\$ million)	%
Transport and Communications	3	38.0	31.4
Energy	3	36.9	30.5
Agriculture and Agro-Industry	3	27.6	22.8
Urban Development,			
Water Supply and Sanitation	1	9.6	7.9
Finance	2	9.0	7.4
Total	12	121.1	100.0



AN ALUMINUM plant in Fiji, one of the subprojects financed by two loans totalling \$9 million provided to the Fiji Development Bank for onlending to private sector enterprises.



Project Implementation: Of the 12 loans approved as of end-1993, nine had been closed and three were under implementation. Contract awards in 1993 totalled \$18 million, bringing the cumulative amount to \$105.5 million. Disbursements during the year amounted to over \$2 million, with cumulative disbursements totalling \$89 million. The implementation of projects suffered from shortage of qualified manpower and capacity constraints. The South Pacific Regional Office continued to facilitate project implementation.

Kiribati

Operational Strategy: The Bank will support the expansion of the productive sectors through the development of key infrastructure facilities like transport and communications. The private sector's role is stressed, while manpower development and institution building are of increasing importance.

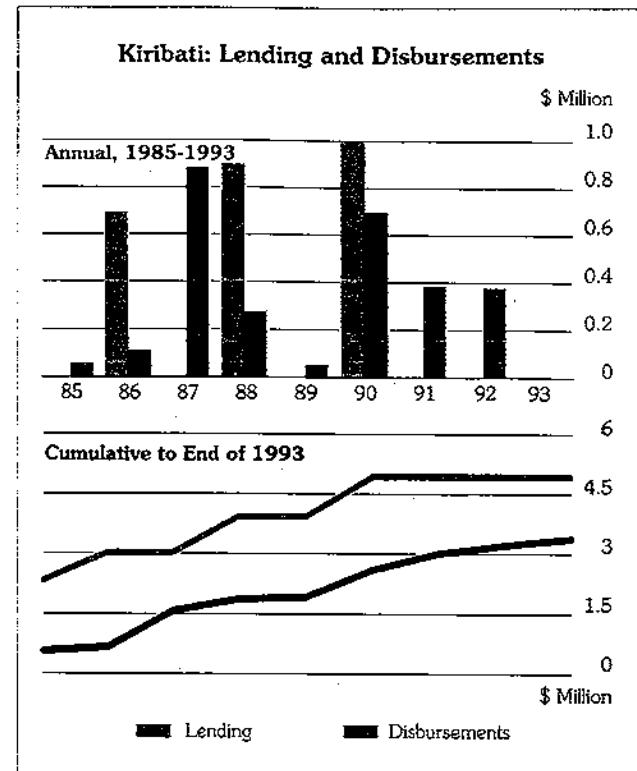
Policy Dialogue: Macroeconomic management and greater efficiency in the public sector were among the key issues discussed. The Pacific Island Economic Report provided an opportunity for dialogue in areas like public finance, budget and privatization.

Loan and Technical Assistance: No loan was approved in 1993. Two technical assistance grants amounting to \$514,000 were approved, including a supplementary grant.

Project Implementation: Of the five loans approved as of end-1993, four had been closed. Contract awards (commitment) for the year amounted to \$139,000, bringing the cumulative total to over \$3 million. No disbursements were made during the year and cumulative disbursements remained at over \$3 million. Implementation suffered from shortage of trained manpower and institutional weaknesses.

Cumulative Bank Lending to Kiribati (As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Transport and Communications	2	2.3	46.9
Energy	2	1.6	32.7
Finance	1	1.0	20.4
Total	5	4.9	100.0



Marshall Islands, Republic of the

Operational Strategy: An operational strategy for Marshall Islands was approved in December. It emphasizes donor coordination and structural adjustment of the economy to fend for the cessation of large fund transfers from the United States in 2003. Project lending will focus on basic social infrastructure and on sectors with growth potential, mainly fisheries and tourism. The country's high population growth rate of about 4.2% per annum is a major concern.

Policy Dialogue: The prudent management and utilization of funds received under the Compact of Free Association with the United States were the major topics of discussion. In view of the eventual withdrawal of such funds, issues like domestic resource mobilization, cost recovery, investment planning, maintenance budgeting, aid coordination and civil service reform were particularly touched upon.

Loans and Technical Assistance: Three loans amounting to \$9.2 million were approved in 1993. Two of the loans (\$8.7 million) were in the social infrastructure sector and one (\$0.5 million) was for a multisector project. Five technical assistance grants were also approved for a total of \$1.2 million.



TEACHING an elementary class at Ebeye, Kwajalein Atoll, Marshall Islands. The Bank provided an \$8 million concessional loan to Marshall Islands in 1993 for the development of basic education.

Project Implementation: As of end-1993, four loans had been approved, including two yet to become effective. Contract awards for the year amounted to \$960,000, while disbursements amounted to \$888,000, bringing the cumulative total to over \$1 million. Shortage of skilled manpower, institutional weaknesses and lack of experience in dealing with multilateral financial institutions affected the work of executing agencies.

Micronesia, Federated States of

Operational Strategy: Donor coordination and support for structural adjustment are the cornerstones of the strategy for the Federated States of Micronesia. Institutional development to cope with a future without large grant assistance from the United States is emphasized. Project lending will focus on basic social infrastructure and growth sectors like fisheries and tourism.

Policy Dialogue: Discussions during the year touched on the need for policy measures to prepare for the eventual withdrawal of US transfers. The dialogue encouraged cost recovery, investment planning, maintenance budgeting, aid coordination and civil service reform.

Loan and Technical Assistance: The Bank made its first loan to Micronesia in 1993 – \$6.5 million for a project to promote greater private sector investment in offshore fisheries. Three technical assistance grants amounting to \$1.7 million were also approved.

Project Implementation: Implementation of the Fisheries Development Project, approved in October, had yet to begin.

Papua New Guinea

Operational Strategy: The Bank's revised strategy for Papua New Guinea is focused on a balanced development of all regions and sustainable employment generation. It emphasizes improved competitiveness in nonmineral sectors and a policy environment which encourages private investment. Bank operations will concentrate on sectors with the greatest potential for reform and where the Bank's overall strategic objectives can be addressed. The Bank, as the lead agency, will actively encourage participation by other donor agencies in four key sectors: agriculture, fisheries and marine resources, health, and urban water supply and sewerage.

Policy Dialogue: Policy discussions during 1993 centered on agriculture, fisheries and industry. The Bank

Cumulative Bank Lending to Papua New Guinea (As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Transport and Communications	10	171.1	31.4
Agriculture and Agro-Industry	9	164.6	30.2
Health and Population	5	54.0	9.9
Energy	5	43.0	7.9
Education	3	35.9	6.6
Urban Development, Water Supply and Sanitation	3	30.2	5.5
Finance	3	22.5	4.1
Multisector	2	15.5	2.9
Industry and Non-Fuel Minerals	1	8.4	1.5
Total	41	545.2	100.0

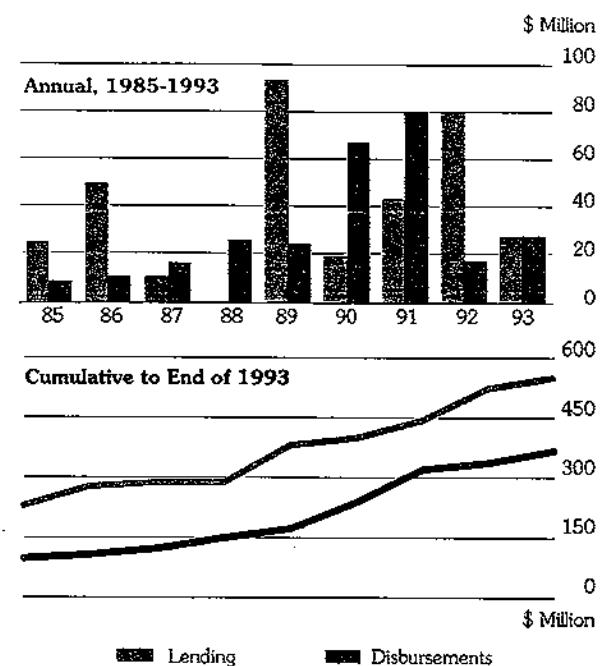


CLEARING agricultural land in Papua New Guinea. The Bank has so far provided three loans totalling \$22.5 million to the Agricultural Development Bank of Papua New Guinea for relending to productive enterprises.

urged the removal of costly price supports to tree crops and cautioned against an interventionist industrial policy as reflected in import bans and high tariff protection for specific products.

Loans and Technical Assistance: Two loans totalling \$27 million from the Bank's ADF resources were approved during the year, both in the social infrastructure sector. Four technical assistance projects amounting to \$2 million were also approved.

Papua New Guinea: Lending and Disbursements



Project Implementation: Of the 41 loans approved as of end-1993, 26 had been closed and 15 were under administration, including three yet to become effective. Contract awards for the year amounted to \$23 million, bringing the cumulative total to \$386 million. Disbursements totalled \$28 million for the year, with cumulative disbursements standing at \$365 million. A country project review mission was undertaken to assist the Government in identifying problems affecting project implementation. A special project mission helped formulate the 1993 budget for Bank-financed projects. Project implementation continued to suffer from inadequate counterpart funds and a shortage of qualified manpower.

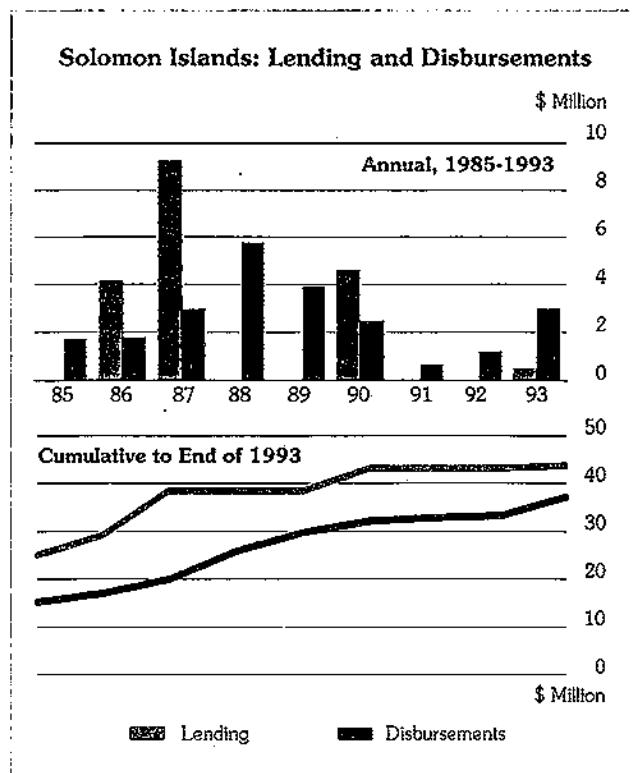
Solomon Islands

Operational Strategy: The Bank seeks the development of productive industries through private investment, supports improvement of infrastructure and encourages efficiency in government operations. A key issue is the country's limited absorptive capacity, both in financial and manpower terms. Institutional strengthening of government agencies will remain a high priority for technical assistance.

Policy Dialogue: The dialogue was focused on fiscal reforms and better financial and economic management.

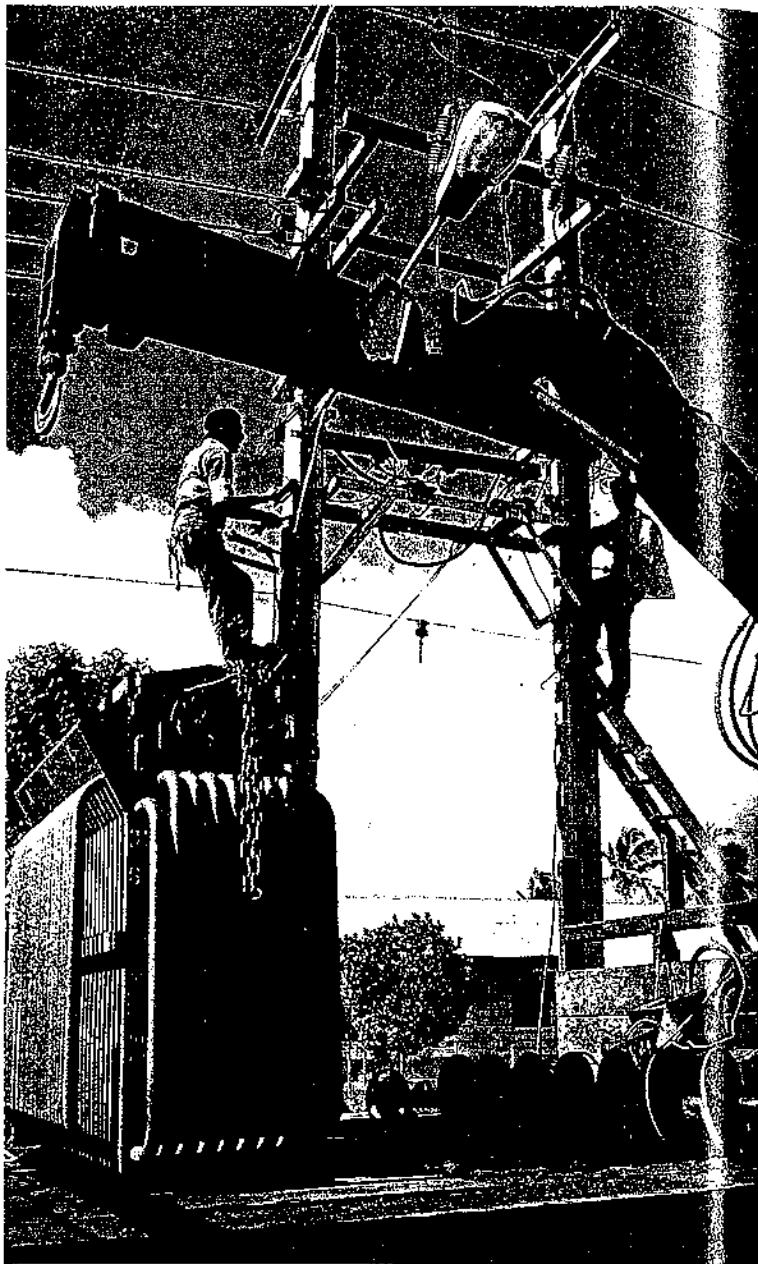
**Cumulative Bank Lending to Solomon Islands
(As of 31 December 1993)**

Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Agro-Industry	4	20.2	46.7
Energy	2	8.9	20.6
Transport and Communications	3	8.0	18.5
Finance	2	4.0	9.2
Urban Development, Water Supply and Sanitation	1	1.7	3.8
Multisector	1	0.5	1.2
Total	13	43.3	100.0



The existing critical situation in the forestry sector was highlighted and the need to reform forestry policy was stressed. Health and population issues were also taken up.

Loan and Technical Assistance: A \$500,000 loan was approved in 1993 for a multisector project to rehabilitate infrastructure damaged by a cyclone during the year. No technical assistance grant was provided.



IMPROVING power distribution lines in Tonga under a concessional Bank loan of \$7.3 million for the Power Development Project.

Project Implementation: Of the 13 loans approved for Solomon Islands as of end-1993, 11 had been closed and two were under administration. Contract awards for the year amounted to \$300,000, bringing the cumulative total to \$36 million. Disbursements for the year amounted to \$3 million, bringing cumulative disbursements to \$37 million. Project implementation suffered from shortage of qualified manpower, institutional weaknesses and lack of adequate local funds.

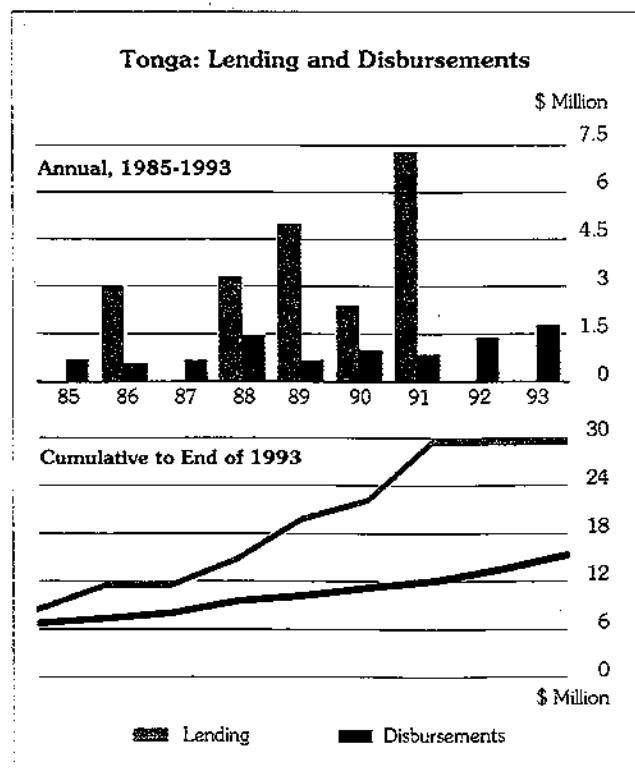
Tonga

Operational Strategy: The Bank's aim in Tonga is to help diversify the productive sectors, promote the private sector, strengthen institutions and encourage more effective macroeconomic policies.

Policy Dialogue: The Bank's economic report of December 1992 formed the basis of policy discussions with the Government. The dialogue touched on financial and economic management, sector policies for agriculture and transport, human resource development and improving the status of women.

Cumulative Bank Lending to Tonga
(As of 31 December 1993)

Sector	No. of Loans	Amount of Loans (\$ million)	%
Multisector	5	11.4	38.9
Energy	1	7.3	25.0
Finance	2	6.5	22.2
Agriculture and Agro-Industry	1	2.4	8.2
Transport and Communications	1	1.3	4.4
Industry and Non-Fuel Minerals	1	0.4	1.3
Total	11	29.3	100.0



Loan and Technical Assistance: No loan was made in 1993, but four technical assistance grants amounting to over \$1 million were approved. One of the grants related to institutional strengthening of the Ministry of Finance.

Project Implementation: Of the 11 loans approved as of end-1993, seven had been closed and four were under administration, including one yet to become effective. Contract awards during the year totalled over \$1 million, bringing the cumulative total to \$16 million. Disbursements for the year totalled about \$2 million, with the cumulative total reaching \$15 million. Project implementation continued to suffer from problems such as a shortage of qualified manpower, insufficient local funds and inadequate institutional capacity.

Tuvalu

Operational Strategy: Tuvalu joined the Bank in May 1993. An operational strategy has yet to be finalized. It is foreseen that the Bank would focus on institution building, export development and infrastructure. The private sector would play an important role in light of the Government's emphasis.

Policy Dialogue: Future areas for policy dialogue will include privatization, public sector efficiency, fisheries development, education and training.

Loan and Technical Assistance: No loan was made in 1993. Two technical assistance grants were approved for a total amount of \$200,000. One would assist the Development Bank of Tuvalu, while the other was for a fisheries sector study.

Vanuatu

Operational Strategy: Bank operations in Vanuatu support the productive sectors of the economy and promote the private sector largely through development finance institutions. Institution building is the principal objective of technical assistance.

Policy Dialogue: Policy discussions covered trade and taxation, public enterprises, human resource development and natural resources management. Among major reforms encouraged were the gradual introduction of direct taxation with exemptions for offshore finance center institutions; phased reduction of tariffs on imports; extension of retail tax on hotels to cover other services; revamp of the Public Service Commission and improvements in public enterprises.

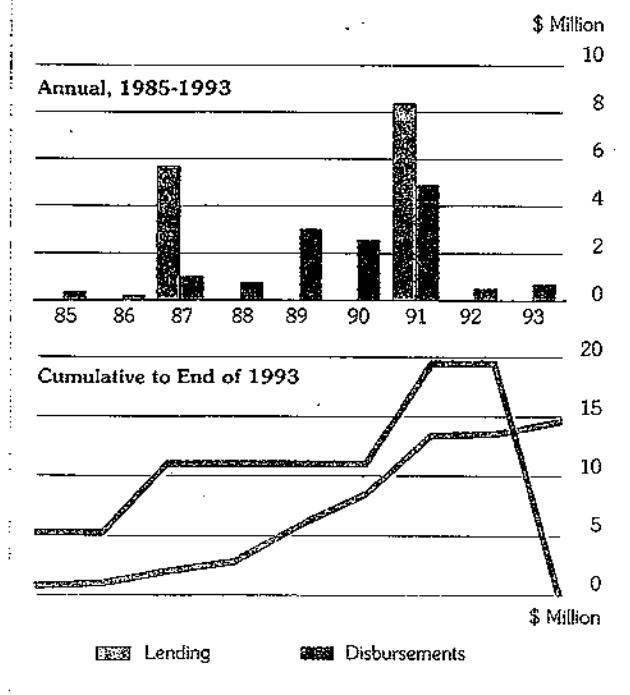
Loan and Technical Assistance: No loan was made for Vanuatu in 1993, but three technical assistance grants were provided for a total amount of \$686,000. Two of the grants were for the preparation of projects and one was advisory in nature.

Project Implementation: As of end-1993, the Bank had approved six loans to Vanuatu. Four of these loans had been closed and two were under administration. Contract awards in 1993 totalled \$520,000, bringing cumulative contract awards to \$14 million. Disbursements for the year amounted to \$780,000, bringing the cumulative amount to \$14.5 million. The implementation of projects suffered

**Cumulative Bank Lending to Vanuatu
(As of 31 December 1993)**

Sector	No. of Loans	Amount of Loans (\$ million)	%
Transport and Communications	2	9.2	47.5
Finance	2	6.0	31.2
Multisector	1	3.0	15.6
Agriculture and Agro-Industry	1	1.1	5.7
Total	6	19.3	100.0

Vanuatu: Lending and Disbursements



because of lack of qualified manpower, institutional weaknesses and difficulties in land acquisition.

Western Samoa

Operational Strategy: The strategy is focused on encouraging private sector activity and privatization, developing financial markets, diversifying agricultural production, expanding industrial production, improving basic infrastructure and strengthening institutional capabilities and manpower training.



A SMALLHOLDER farmer in Western Samoa, one of the beneficiaries of a tree crop development subproject under a \$10.4 million multiproject Bank loan.

Cumulative Bank Lending to Western Samoa
 (As of 31 December 1993)

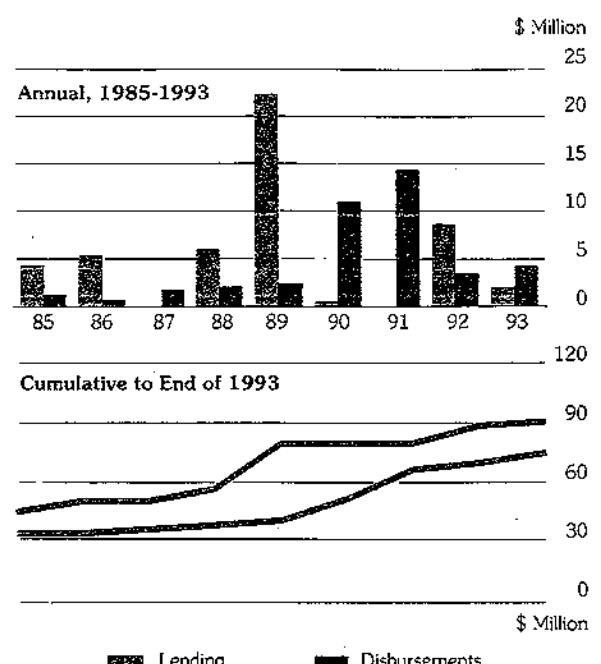
Sector	No. of Loans	Amount of Loans (\$ million)	%
Agriculture and Agro-Industry	8	32.9	36.6
Finance	5	16.0	17.8
Energy	6	15.1	16.7
Multisector	2	13.0	14.5
Transport and Communications	4	13.0	14.4
Total	25	90.0	100.0

Policy Dialogue: The dialogue emphasized the role of reforms and institutional changes in formulating growth-oriented economic policies. The need to ensure a financially sustainable level of investment was stressed. It was pointed out that the Department of Agriculture, Forests and Fisheries should redirect its activities to promote the private sector.

Loan and Technical Assistance: A supplementary loan of \$2 million was approved in the energy sector and a technical assistance grant of \$270,000 was provided to help improve the Government's planning capabilities.

Project Implementation: Twenty-five loans totalling \$90 million had been approved as of end-1993, of which 20 had been closed and five were under administration, including one yet to become effective. Contract awards during the year totalled \$1 million, bringing the cumulative

Western Samoa: Lending and Disbursements



amount to \$75 million. Disbursements for the year amounted to \$4.5 million, with cumulative disbursements reaching \$74 million. Project implementation continued to suffer from lack of qualified staff and institutional weaknesses of executing agencies.



PROJECT AND PROGRAM ADMINISTRATION

ATOTAL of 453 projects were under administration as of end-1993. These included 401 projects in the public sector and 52 projects in the private sector.

Of the public sector projects, 336 (84%) were performing satisfactorily, 59 (15%) faced implementation or operational problems and six (1%) were considered inactive.

Of the 52 private sector projects under administration, 27 (52%) were operating profitably, nine (17%) faced operational problems, ten (19%) were in the initial phase of operation and six (12%) had yet to become operational.

During the year, 351 project administration missions¹ were fielded to review the progress of projects and to discuss remedial measures with executing agencies. These missions spent a total of 3,817 persondays, or an average of 7.5 persondays per project. In addition, project implementation support was provided to executing agencies by the Bank's regional and resident offices.

Country project review missions, led by senior staff, were undertaken in Bangladesh, Bhutan, People's Republic of China, India, Indonesia, Malaysia, Papua New Guinea, Pakistan, Philippines, Sri Lanka and the South Pacific DMCs. The purpose was to discuss implementation problems, cross-sectoral issues and necessary remedial measures with senior government officials.

The implementation of 75 projects was completed, bringing to 815 the cumulative number of completed projects. Project completion reports were prepared for 62 projects. The total number of reports prepared as of end-1993 was 573. For details, see Table 19 in the Statistical Annex.

Project administration procedures continued to be streamlined to expedite project implementation. A revised project implementation status classification system was introduced during the year. The aim was to establish the implementation and/or operational status of each project and to highlight projects encountering problems.

Seminars and workshops² were held to enhance the implementation capabilities of executing agencies (see table). A total of 463 senior and middle-level officials benefited from such seminars/workshops during the year. In addition, in-house seminars were held for Bank staff dealing with project

processing and administration.

Seminars on business opportunities were held in Denmark, Finland, Indonesia, Netherlands, Singapore, Sweden, Turkey and United States. They made participants aware of business opportunities available under Bank financing and apprised them of the requirements in preparing acceptable bid proposals.

Contract Awards

During 1993, contracts totalling \$3,523 million were awarded by executing agencies in developing countries for

SEMINAR ACTIVITIES IN 1993

Type	Country/ City	Seminar Dates
Country Procurement Seminar	Sri Lanka/Colombo	15-19 March
Regional Seminar on Project Implementation Management	Philippines/Manila	17-28 May
Country Project Implementation Management Seminar	People's Rep. of China/Shanghai	28 July-4 August
Country Procurement Seminar	India/Delhi	16-20 August
Country Procurement Seminar	Nepal/Kathmandu	28 Sept.-3 Oct.
Country Project Implementation Management Seminar	Viet Nam/Hanoi	4-15 October
Regional Seminar on Project Implementation Management	Philippines/Manila	18-29 October
Country Procurement Seminar	Bangladesh/Dhaka	22-26 November
Country Project Implementation Management Seminar	Pakistan/Islamabad	4-9 December

1 Including private sector loan missions and multiproject missions.

2 Those conducted by the Central Projects Administration Coordination Division only.

consulting services, procurement of goods and related services, and civil works. This represented a 32% increase from 1992. Consultancy contracts, although a small proportion of total contract awards, play a vital role in project implementation. During 1993, consultancy contracts under loan projects totalled \$79 million. These involved 191 consulting firms and 16 individual consultants.

For technical assistance projects, the Bank awarded 431 contracts for consultancy services amounting to \$83 million and involving 292 consulting firms and 332 individual consultants.

For details, see Tables 18-28 in the Statistical Annex.

Loan Disbursements

Loan disbursements amounted to \$2,941 million in 1993. OCR disbursements totalled \$2,016 million and ADF disbursements \$925 million (see accompanying table). The increase was significant for project loans. The comparative details of disbursements in 1992 and 1993 by lending modalities are shown in the accompanying table.

The increase in disbursements was mainly attributed to an increase in the number of active loans. The streamlining of project administration procedures and close coordination through the Bank's regional/resident offices were the other major factors. The use of imprest accounts and the statement of expenditures mechanism to facilitate the flow of loan funds

also helped. Disbursements improved significantly for PRC, Nepal and Pakistan because of releases for new project loans approved during 1992-93. These countries made efforts to speed up project implementation.

Private Sector Investment Portfolio

Since the Bank made its first equity investment in a Korean venture capital company in 1984, its private sector portfolio had grown to \$444 million as of end-1993. The investments were in 82 companies in 11 DMCs. The portfolio was 20% higher from the previous year in terms of invested funds. Loans accounted for 72% of the portfolio — \$320 million compared to \$241 million (65%) in 1992. For details, see Tables 15-17 in the Statistical Annex.

Of the 82 companies which received Bank investments, 54 were in full-scale operation, nine were in their initial operation, three were experiencing implementation problems, two were having teething problems, five were underperforming and nine, representing 3% of the portfolio, were operating at a loss.

Disbursements were in progress for 11 investments, amounting to \$60 million, net of loan recoveries, or 14% of the portfolio. Disbursements had been completed for 96 investment facilities.

Interest and fee income earned in 1993 totalled \$20 million, about the same as in 1992. Dividends received amounted to \$5.5 million compared to \$1.3 million in 1992. Capital gains during the year, through the sale of shares and stock rights, amounted to \$12.3 million. The Bank's specific provision against possible losses totalled \$5.3 million at year-end. For the first time, a general loss provision of \$17.7 million was created, 4% of the outstanding private sector portfolio (excluding projects with specific provision) as of 31 December 1993.

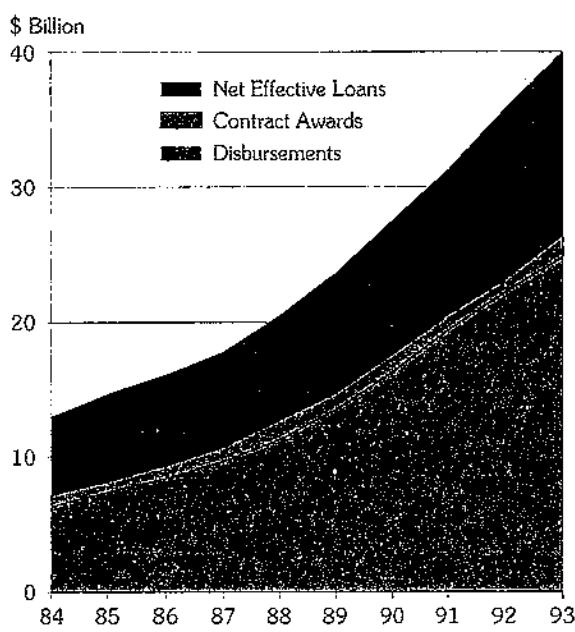
Benefit Monitoring and Evaluation

Given its development objectives and its emphasis on crosscutting issues, the Bank is paying increasing attention to participatory approaches to project formulation and implementation. Consequently, much importance is attached to understanding the perspectives of beneficiaries and evaluating the consequences of development interventions.

The Bank's Social Dimensions Unit is the focal point of its project benefit monitoring and evaluation activities. In 1993, one seminar was conducted for Bank staff and two workshops were held for executing agencies to enhance awareness and understanding of benefit monitoring and evaluation. A regional technical assistance project was approved to arrange training for executing agency officials in six DMCs.

Thirteen advisory technical assistance projects approved

Contract Awards and Disbursements: 1984-1993



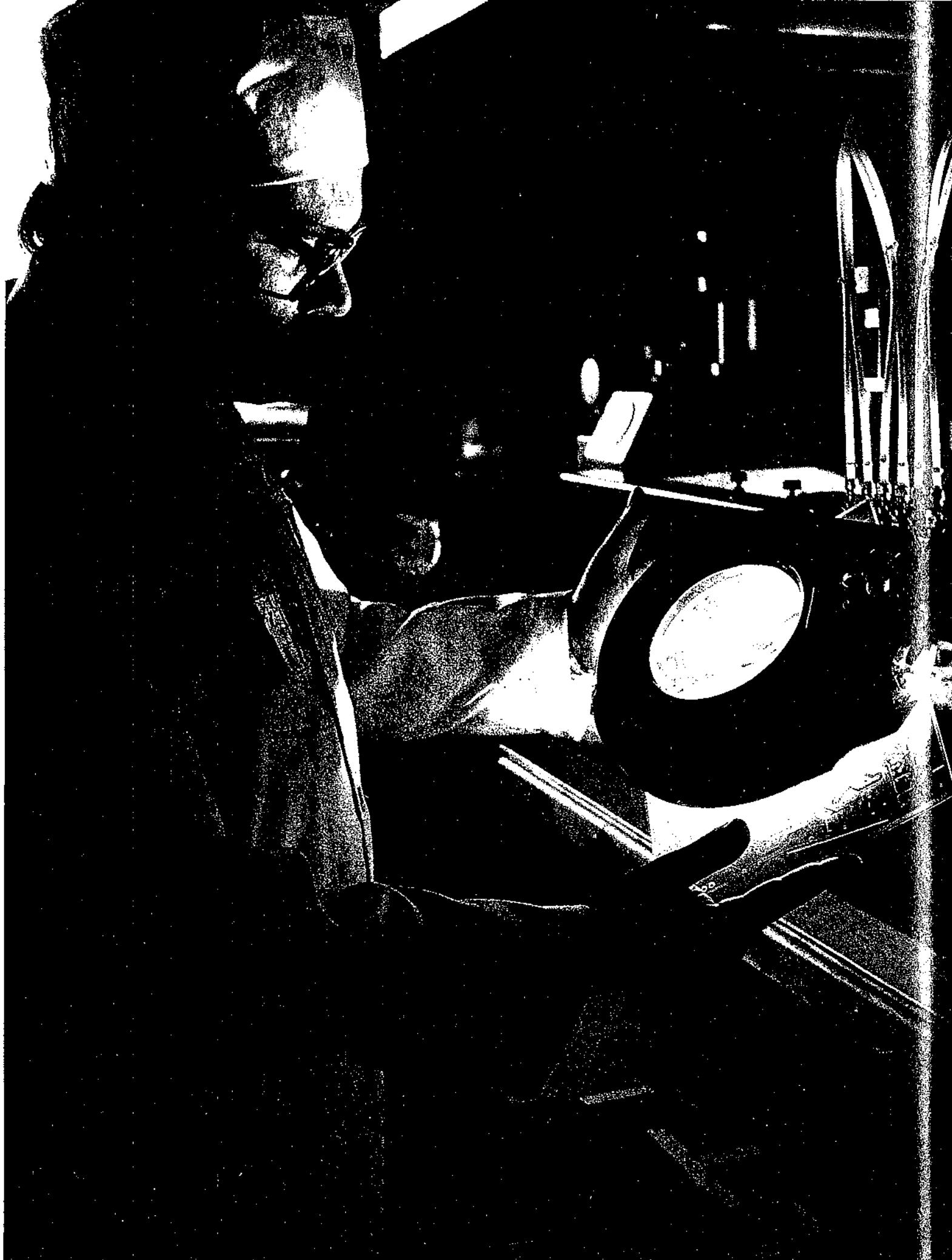
LOAN DISBURSEMENTS, 1992 AND 1993

(amounts in \$ thousand)

1992						
	OCR	% of Total OCR	ADF	% of Total ADF	Total	% of Total Disbursements
A. Project Loan Disbursements						
• Non-DFI	832,834	44	582,344	66	1,415,178	51
DFI	282,551	15	54,964	6	337,515	12
Special Assistance	0	0	16,013	2	16,013	1
Total Project Loans	1,115,385	59	653,321	74	1,768,706	64
B. Sector Loan Disbursements	349,797	19	109,497	12	459,294	17
C. Program Loan Disbursements	354,736	19	118,438	13	473,174	17
D. Private Sector	59,693	3	6,293	1	65,986	2
Grand Total	1,879,611	100	887,549	100	2,767,160	100
					% Change (1993/92)	
	OCR	% of Total OCR	ADF	% of Total ADF	Total	% of Total Disbursements
A. Project Loan Disbursements						
Non-DFI	1,168,864	58	619,346	67	1,788,210	61
DFI	241,107	12	68,544	7	309,651	11
Special Assistance	0	0	0	0	0	0
Total Project Loans	1,409,971	70	687,890	74	2,097,861	71
B. Sector Loan Disbursements	382,269	19	167,256	18	549,525	19
C. Program Loan Disbursements	125,000	6	69,127	7	194,127	7
D. Private Sector	98,963	5	857	0	99,820	3
Grand Total	2,016,203	100	925,130	100	2,941,333	100
					OCR ADF Total	

during the year supported activities related to benefit monitoring and evaluation. Among them were a project to develop a management information system for Fiji's Ministry of Agriculture, Fisheries and Forestry; a project for monitoring benefits and streamlining procedures in India; a project for

monitoring, impact assessment and management policy reforms in Nepal; a project to review health services delivery in Papua New Guinea; and a project to undertake an in-depth study of the overall development of the agriculture sector in Sri Lanka.



POST-EVALUATION

THE BANK's post-evaluation system has two principal objectives: (i) to improve the design and execution of future activities in the light of past experience; and (ii) to account to the Bank's shareholders for the effectiveness of Bank assistance to its DMCs. To achieve these objectives, the Bank's evaluation staff undertake independent post-evaluation of Bank projects/programs and technical assistance; carry out impact evaluation and special studies; and feed lessons learnt into the operational system of the Bank. They also assist the DMCs in developing and strengthening their own evaluation capabilities.

Post-evaluation is generally carried out three to four years after a project is implemented, when it is still in the early stages of its economic life. Apart from reviewing the project experience, the exercise identifies issues or factors relevant to the development impact for future Bank operations.

On the basis of implementation experience, expected performance and developmental impact, projects are classified as "generally successful," "partly successful" or "unsuccessful." A project is considered generally successful if it is expected to be economically viable or can generate socioeconomic benefits commensurate with original expectations and/or costs incurred. A project is rated as partly successful if its benefits are believed to be sustainable at reduced levels, with reasonable prospects for improvement if remedial actions are taken. If a project is not technically and/or economically viable, it is classified as unsuccessful. It is important to note that such classification made at the time of post-evaluation may be revised during subsequent re-evaluation. Also, a partly successful project is not to be viewed as an unsuccessful project.

Under the selective approach for post-evaluation adopted in 1988, Project Performance Audit Reports are not undertaken for all projects for which Project Completion Reports have been prepared. Projects are selected for post-evaluation on a random basis, keeping in mind the need for a balanced coverage of countries and sectors. However, an effort is made to include in the sample all program and sector loans, first projects in a sector or a country and projects that have lessons to offer. As of the end of 1993, 70% of the projects with completion reports were covered by performance audit reports. Performance classification, therefore, provides a basis for judging project quality on a selected basis. Also, it

presents a historical view of the performance of Bank-assisted projects implemented in the past. It does not relate to ongoing projects in the Bank's current portfolio.

Project Performance Audit Reports

During 1993, 28 performance audit reports were prepared for four program loans and 24 projects (including two private sector projects without government guarantee). These projects/programs were in 13 DMCs: nine projects and three programs in seven Group A countries; 11 projects and one program in four Group B countries; and four projects in two Group C countries (for definition of groups see box on page 51). By sector, 15 projects were in agriculture/agro-industry, four each in energy and social infrastructure, two in finance, two in transport and communications, and one in industry. Cumulatively, by the end of the year, 408 PPARs had been prepared for 427 projects/programs covering all major sectors and subsectors in 24 DMCs.

Most of the projects/programs post-evaluated in 1993 were approved during the 1980s and completed in the early 1990s. The total investment costs of these projects/programs had originally been estimated at \$1,551 million, but actual costs upon completion came to \$1,264 million. Bank loans for these projects/programs, including special implementation assistance loans, amounted to \$907 million. Of this amount, \$726 million, or 80%, was actually disbursed.

PERFORMANCE CLASSIFICATION, 1993

No. of Projects	% of Projects Classified
Generally Successful	16
Partly Successful	6
Unsuccessful	4
Total Projects Classified in 1993	26
	100

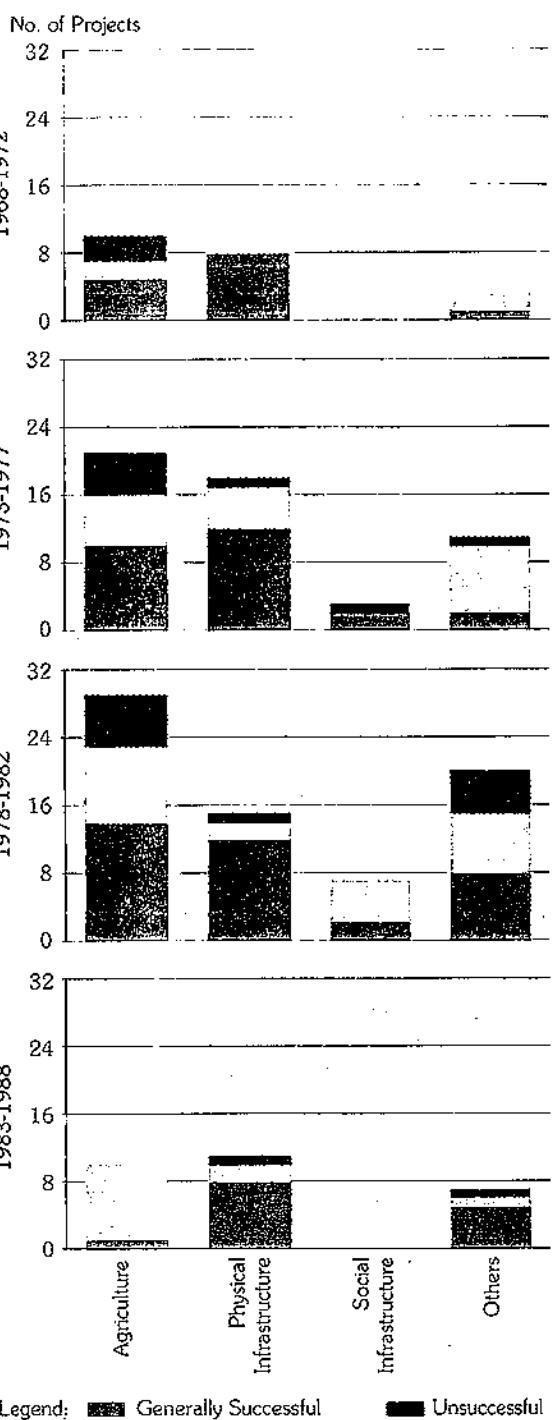
The underruns in project costs and Bank financing were due to a combination of factors. Among them were reduction in project scope, movements of exchange rates, lower-than-estimated costs of civil works and equipment, and overestimation of costs and contingencies during appraisal.

Performance classification was made on 26 of the 28 projects/programs post-evaluated. The classification of two program loans (one for the financial sector in Indonesia and the other for the agriculture sector in Lao PDR) was deferred because policy reforms initiated under these two loans had been further reinforced under subsequent program loans, which were ongoing. Of the 26 classified post-evaluated projects/programs, 16 (62%) were rated as generally successful, six (23%) as partly successful and four (15%) as unsuccessful. On a cumulative basis, of the 425 post-evaluated projects/programs classified as of the end of 1993, 60% were generally successful, 29% partly successful and 11% unsuccessful.

In terms of actual investment costs, however, 61% of the 26 projects/programs post-evaluated and classified in 1993 were generally successful, 26% were partly successful and 13% were unsuccessful. On the basis of loan amount disbursed, the respective rates were 57%, 32% and 11%. This suggests that the partly successful projects post-evaluated in 1993 generally entailed relatively large investment costs and had been financed by relatively large-size Bank loans. Year-to-year results of post-evaluated projects are influenced by project-specific factors as well as the sector and country mix of projects evaluated. The "generally successful" rate for agriculture projects is historically low, a pattern again evident in 1993. All six partly successful projects and all four unsuccessful projects in the 1993 group belonged to the agriculture sector. Shortcomings in project preparation and design, inappropriate government policies, inadequate support services, socioeconomic constraints (land tenure systems, farmers' knowledge and attitudes, and lack of genuine beneficiary participation) and, especially, unfavorable changes in relative output-input prices adversely affected the performance of most of these projects. In judging the performance in agriculture, it should be borne in mind that agriculture projects are generally more complex, difficult to implement and vulnerable to market conditions.

The 1993 studies indicated that a major factor affecting the performance and sustainability of projects – irrespective of sectors and countries – was the inadequate operation and maintenance of physical facilities created under the projects. Careful consideration needs to be given to this problem at the project preparation stage, especially for projects having long gestation periods and economic lives. Issues like cost recovery, absorptive capacity and the appropriateness of technologies used need to be addressed. It is also important to anticipate risks and incorporate mitigating measures into project design. Rigorous sensitivity analysis would be helpful. Capacity-building in the DMCs would improve the implementation and operation of projects.

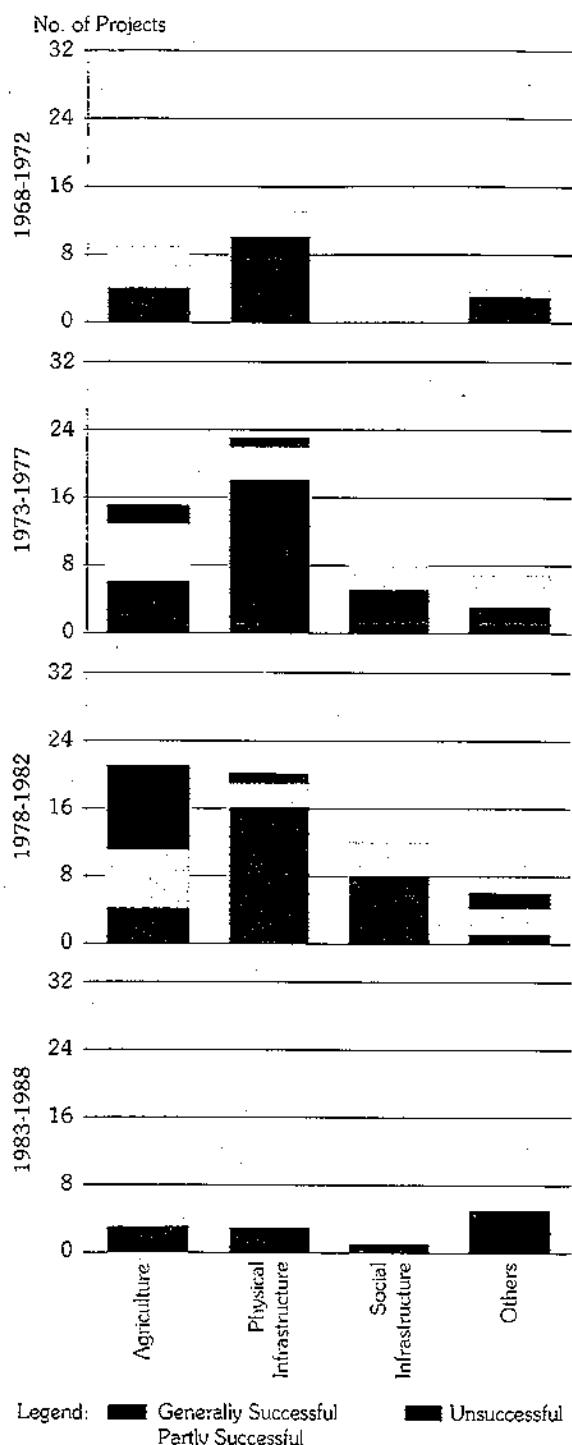
Performance of Post-Evaluated Projects by Sector and Approval Period – Group A Countries



Legend: ■ Generally Successful
■ Partly Successful
■ Unsuccessful

Note: "Group A" includes 22 DMCs with very low per capita GNP. Projects financed by blended ADF/OCR loans are considered OCR projects if the size of OCR financing is bigger than ADF. 'Physical Infrastructure' includes transport and energy sectors, 'Others' includes multisector, development finance institutions and industry.

Performance of Post-Evaluated Projects by Sector and Approval Period – Group B Countries



Note: 'Group B' includes four lower middle-income DMCs. Projects financed by blended ADF/OCR loans are considered OCR projects if the size of OCR financing is bigger than ADF. 'Physical Infrastructure' includes transport and energy sectors, 'Others' includes multisector, development finance institutions and industry.

Crosscutting Issues

The Bank is examining ways of incorporating non-quantifiable social benefits in the post-evaluation of projects.

Several of the projects post-evaluated in 1993 implicitly addressed crosscutting issues, such as poverty reduction, women in development and environmental protection. Most of the agriculture projects contributed to poverty reduction through increased supply of basic food items, improved farm incomes and employment creation. The health project had improved the quality of health care and family planning services, especially for women and children in disadvantaged rural areas. The two vocational education projects had made training opportunities available to students from low-income groups. Most of the projects had no adverse environmental impacts. Some contributed directly towards environmental improvement. The forestry projects, for instance, had improved soil fertility, slowed down erosion, and were expected to eventually reverse the degradation of forest lands. However, one project had adversely impacted on the environment: soot deposits and noise from the power generation project affected surrounding residential buildings and a primary school. The situation was to be remedied through a subsequent Bank loan.

Post-Evaluation Studies

In addition to the performance audit reports, one impact study was completed on the Bank's operations in the education sector in a Group B country, three re-evaluation studies in a Group A country and one special study. The impact evaluation study assessed the socioeconomic impact and effectiveness of five post-evaluated education projects in order to identify areas for improvement in future. The re-evaluation studies involved an education project, an irrigation project and a forestry project. The special study presented an analytical review of post-evaluation findings in the Philippines.

The impact study concluded that the five post-evaluated projects, which had been designed to upgrade the quality of engineering, technical and vocational education in Indonesia, had helped improve internal efficiency, reduce shortages in technical manpower and provide equitable access to the less-advantaged segments of the population. The student-teacher ratio, the graduation rate, instructional methods, the quality of teaching staff and the utilization of facilities showed significant improvements, while the dropout rate fell. A majority of the graduates of the two tertiary institutions and technical schools were absorbed by the labor market although some found their jobs incompatible with their fields of education and training. The transformation that has taken place, however, needs to be reinforced with a greater effort for human resource development. It will continue to be important to ensure that the quality of education is in line with needs. Also, the private sector should be encouraged to share

the costs of education and participate in improving its quality.

The re-evaluation of the education project found that it had failed to reach its designed level of operation. In fact, it had declined from the level at the time of post-evaluation in 1987. Facilities had deteriorated and campus discipline had worsened. A number of factors were responsible for the project's failure despite a successful start. Chief among them were changing perceptions of the school's place in the educational hierarchy, high turnover of teachers, changing government funding priorities and outside political interference. Because the future of the project was in doubt, it had to be reclassified from "generally successful" to "unsuccessful." The experience emphasizes the need for extensive project preparation and careful institutional, budgetary and staffing analyses. For projects like this, there should also be a flexible approach, better monitoring safeguards and intervention by the Bank.

The irrigation project was re-evaluated five years after post-evaluation and was also found to be unsuccessful. The physical facilities of the project had deteriorated from lack of maintenance and weak management. It had also been affected by a shrinking in the area under irrigation, competition for water in the area, unfavorable trends in input/output prices, massive immigration from the hills and the absence of a concerted adjustment effort on the part of the Bank. The project experience suggests that the goals of effective land and water resources management are best achieved through partial privatization of public irrigation schemes. The monitoring of relative input/output prices, changes in project scope and design, the settlement of migrants, and socioeconomic and cultural dimensions need to be taken into account.

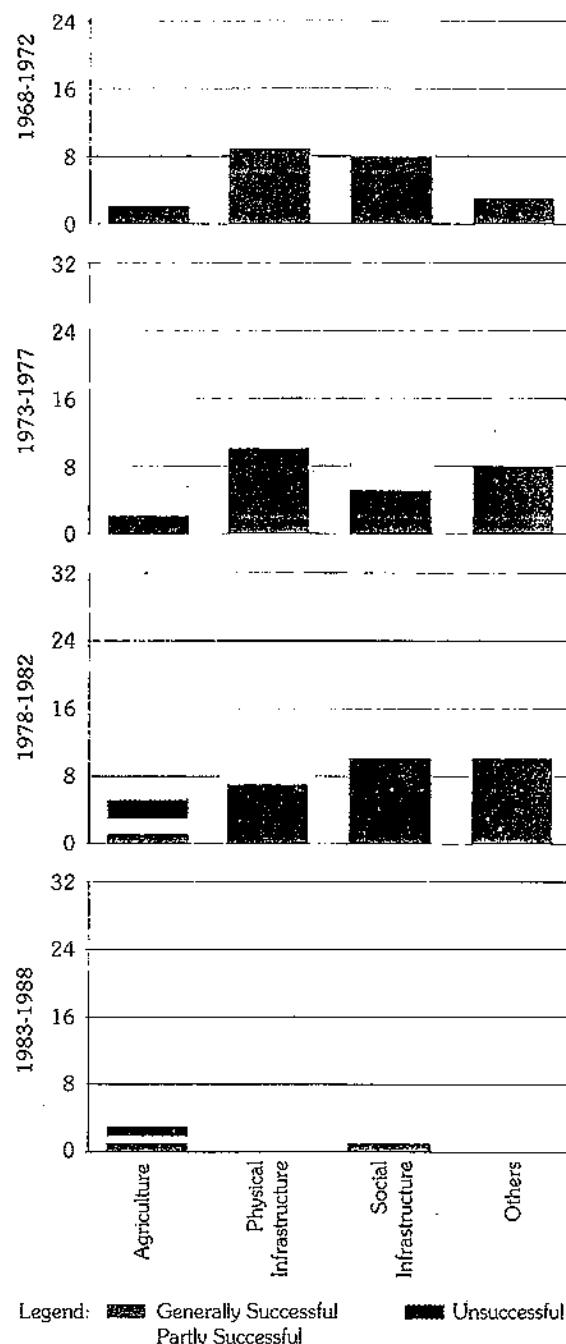
The re-evaluation of the forestry project reconfirmed its rating of "generally successful" given at post-evaluation, though the yield and benefit estimates were somewhat lower. Poor soil conditions, inadequate availability of mechanical equipment for land clearing, reduced intercropping, non-use of fertilizer in nurseries, fire damage and weak management contributed to reduced plantation yields. The project, however, continued to be economically viable. It was expected to augment fuelwood and timber supplies. The project experience highlights that regeneration is the least-cost option which should be preferred where degradation is not heavy and the regeneration capacity is not permanently impaired.

The special study reviewed the Bank's operational experience in the Philippines, based on the post-evaluation findings of 41 projects and one program. On the basis of an assessment of the physical, institutional, financial and economic performance of the projects, 31 projects or 74% were found to fall in the categories of generally and partially successful. The remaining projects were not able to fully achieve their intended objectives. Project implementation and performance had been affected by a combination of factors, including the oil shocks of 1973 and 1979, the decline in the international prices of commodities, internal political and economic crises during the 1980s and natural calamities. The exercise

Performance of Post-Evaluated Projects by Sector and Approval Period – Group C Countries

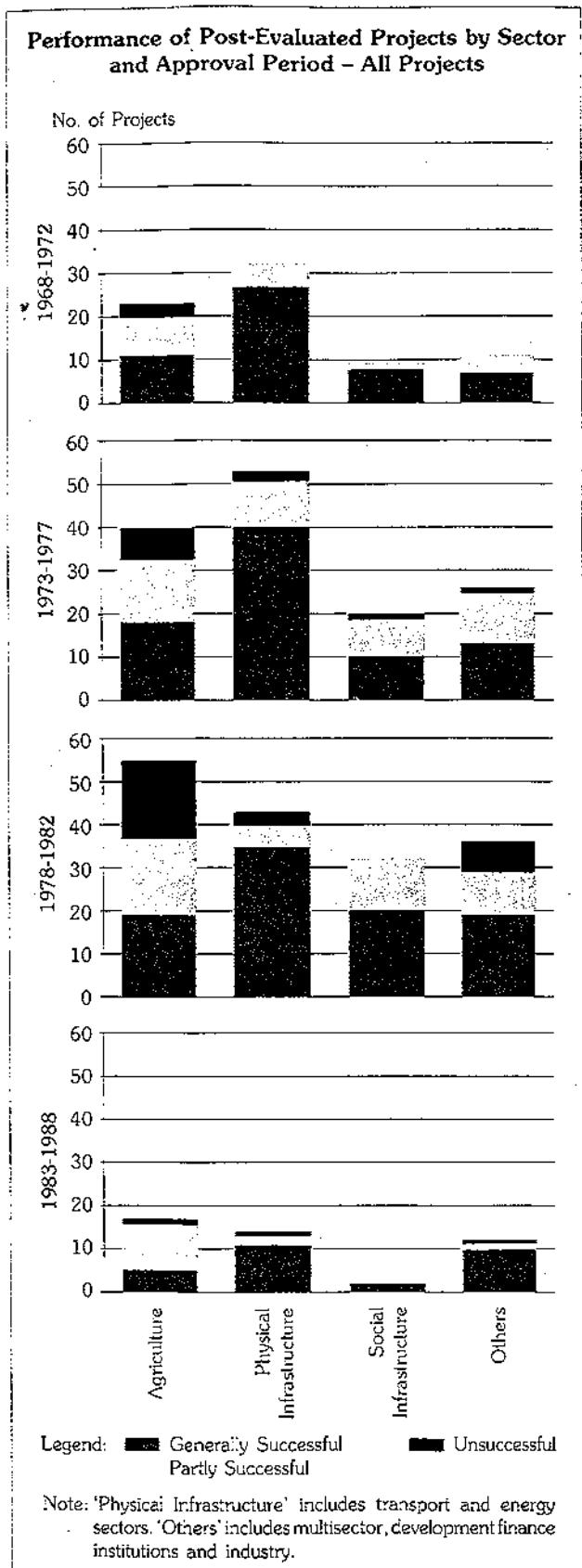
No. of Projects

32



Legend: ■■■ Generally Successful
Partly Successful ■■■■■ Unsuccessful

Note: "Group C" includes six upper middle-income and high-income DMCs. Projects financed by blended ADF/OCR loans are considered OCR projects if the size of OCR financing is bigger than ADF. 'Physical Infrastructure' includes transport and energy sectors, 'Others' includes multisector development finance institutions and industry.



underscored the need for better project preparation and appraisal to improve project design, avoid implementation delays, enable fuller utilization of project facilities and ensure the sustainability of benefits. Greater attention should be paid to natural resource assessment, demand projections, beneficiary participation, institutional capability, availability of counterpart funds, adequate cost recovery, the role of public sector enterprises and detailed risk and sensitivity analyses. For multicomponent rural and agriculture development projects, which require the involvement and support of several agencies, project design should include a plan to ensure the cooperation of concerned agencies.

With regard to the evaluation of technical assistance operations, the Bank is trying to develop a good methodology. In 1993, a Technical Assistance Performance Audit Report was prepared for a technical assistance subproject (inland waterways) under a Technical Assistance Program Loan. The audit report noted that, while the engineering and institutional aspects of the subproject had been generally satisfactory, the investment projects appeared questionable. As such, the subproject was rated as "partly successful."

Feedback of Post-Evaluation Findings

The Bank's computerized Post-Evaluation Information System continued to provide operational departments with post-evaluation findings and statistical analyses. This was supplemented by the circulation in March of the *Twelfth Report of Post-Evaluation Abstracts* and the *Fifteenth Annual Review of Post-Evaluation Reports*. In addition, two feedback workshops were organized to promote interaction between post-evaluation staff and the Projects Departments and operational staff concerned. The first workshop, held in January, discussed issues relating to water resource planning and management, while the second, in November, discussed the issues arising from Bank operations in the education sector in Indonesia. The workshop on water resource management led to actions in preparing policy papers and guidelines to assist future Bank operations.

The Management Committee on Post-Evaluation Findings held its biannual meetings in April and December to discuss issues arising from post-evaluation studies that warranted attention from and guidance by Management. The meetings reinforced the need to improve the effectiveness of project preparatory technical assistance, strengthen Bank assistance for efficient utilization and management of water resources in DMCs, and adopt the so-called "logical framework" approach.

To feed its lessons back at an early stage of the project cycle, evaluation staff continued to be associated with the processing of loan and technical assistance projects. They reviewed and commented on draft Board documents and participated in loan processing meetings. In addition, country

Tangible Benefits

A NUMBER of projects post-evaluated in 1993 made tangible contributions to the economic and social development of the DMCs. Among them:

Two fisheries projects, one in Indonesia and the other in Malaysia, contributed significantly to employment generation, exports of fish products and a reduction in the levels of fish spoilage, thereby increasing the average incomes of fishermen;

Two forestry projects, one in Bangladesh and the other in Nepal, augmented critically depleted fuelwood supplies, produced timber, fodder and fruit and prevented degradation of the forest lands;

Two power projects in Indonesia expanded or improved power transmission and distribution capacities benefiting about 184,000 new consumers;

One power development project in Maldives increased the rated capacity of generators utilized in part by industrial and commercial enterprises;

A natural gas project in Pakistan increased the offtake and carrying capacity of the gas transmission system by 95 million cubic feet per day, thus meeting the increased demand requirements of consumers in the Karachi area;

Two vocational education projects, one in Malaysia and the other in Indonesia, succeeded in promoting an equitable distribution of vocational training opportunities, increasing the supply of qualified and well-trained teachers, and improving the quality of vocational teacher training;

A water supply project in Myanmar provided better quality water to about 37,950 households, 211 commercial, 200 industrial and 155 institutional consumers, and 56 public faucets, thereby improving public health;

A health project in Sri Lanka increased access to and improved the quality of health care and family planning services of approximately 1.5 million people through the establishment of about 456 health centers;

A telecommunications project in Thailand provided long-distance public telephone facilities in about 1,813 'tambons' or subdivisions and helped stimulate rural development;

A port project in Papua New Guinea improved and upgraded wharf facilities and increased cargo handling capacity from 1.1 million tons per annum to about 1.5 million tons per annum;

Two program loans, one in Lao PDR and the other in Indonesia, were instrumental in initiating much-needed policy and institutional reforms to improve efficiency in the agriculture and financial sectors;

A private sector project in Indonesia expanded the production capacity of the country's steel industry, reducing production costs and saving foreign exchange;

An equity investment project in the Philippines, the first such project post-evaluated, helped enlarge the equity base of the beneficiary development finance institution, thereby promoting its ability to lend to small and medium enterprises.

strategy studies, operational programs and project appraisal took account of the Bank's experience with post-evaluated projects. To facilitate the incorporation of post-evaluation experience in programming and project appraisal work, country syntheses of post-evaluation findings were introduced.

Post-Evaluation in DMCs

Efforts were stepped up to help DMCs develop and strengthen their own evaluation capabilities. One advisory

technical assistance was approved in 1993 for Nepal, bringing to five the number of recipient countries of similar technical assistance. During the year, one advisory project in Thailand was completed while two projects in Philippines and Sri Lanka were in final stages of completion. A Technical Assistance Completion Report was prepared for the advisory technical assistance to Thailand, concluding that the assistance was generally successful. It strengthened the evaluation capability of the Office of the Auditor General and increased the awareness of senior officials about the importance of performance evaluation as a planning and management tool.

ORDINARY CAPITAL RESOURCES AND FINANCIAL MANAGEMENT

Proposed Fourth General Capital Increase (GCI IV)

DURING 1993, the Board made considerable progress towards concluding its study of the Bank's future resource requirements for financing its ordinary operations. The study had been requested by the Board of Governors in Resolution No. 179. It was intended to result in the formulation of specific proposals for a further general capital increase (GCI IV). A report providing an updated review of progress on the study was approved by the Board of Directors in March 1993 for submission to the Board of Governors. The report was considered by the Board of Governors at the Twenty-Sixth Annual Meeting. In April 1993, as a further part of the study, the Board undertook a review of the Bank's major financial policies (see below). A working paper containing Management's initial proposals for GCI IV was considered by the Board in November 1993. The paper noted, among other things, that pending the effectiveness of GCI IV, the Bank's lending headroom (i.e., the difference between its lending authority and its net loan commitments, equity investments and guarantees) would be nearly exhausted at the end of 1993. The Board generally agreed on the need for a further general capital increase in the range of 100 to 120% proposed by Management. A further paper, taking into account comments made during the discussions and subsequent views expressed by members, was expected to be considered by the Board in early 1994. On the assumption that a consensus on the outstanding issues would be reached on the basis of that paper, it was envisaged that the Board of Directors' findings and recommendations on GCI IV could be submitted to the Board of Governors in April 1994.

Review of Major Financial Policies

In April 1993, the Board undertook a review of the Bank's major financial policies. The following financial policies were approved:

Country Risk: Assessment of country risk involves the issues of portfolio concentration and individual country risks.

The need for deliberate action to create a more diversified portfolio, or for country lending limits to be imposed, must be carefully balanced from a financial point of view against the Bank's primary role of providing for the development of its developing member countries. The Bank will:

- (i) consider and manage, within the given limitations, appropriate portfolio diversification when formulating its annual lending programs with the objective of reducing the current concentration – having only a fixed ceiling is not considered practical; and
- (ii) strengthen and systematize country risk assessment and management systems.

Rescheduling of Delinquent Private Sector Loans:

In cases where the proposed rescheduling involves only the timing of principal repayments and interest payments and where the project remains commercially viable and financially sound, and provided all the alternatives to rescheduling have been thoroughly analyzed and determined to be less attractive than rescheduling, proposals to reschedule private sector loans will be submitted to the Board for consideration on a no-objection basis. All other proposals for the rescheduling of private sector loans will be submitted to the Board for consideration with full discussion.

Policy on Sanctions: As overdue payments age, the following sanctions on new commitments and disbursements will apply to both OCR and ADF loans:

- (i) When interest or principal on a public sector loan is overdue by 30 days, the Bank will send a formal notice to the country of the borrower advising that unless all its outstanding arrears have been received within 30 days of the date of such notice (i.e., within 60 days of the due date), no further loans to or guaranteed by the country will be proposed to the Board or signed.
- (ii) When interest or principal on a public sector loan is overdue by 60 days, the Bank will send a formal notice to the borrower that disbursements will be suspended on all its loans unless all its outstanding arrears are cleared within 30 days.

of the date of such notice (i.e., within 90 days of the due date). A copy of the notice will be sent to the Board. Co-financiers will also be informed of the pending decision.

(iii) Notices of warning of suspension of new loan commitments (after 60 days) and of disbursements (after 90 days) may be temporarily deferred in the following cases: (a) when payments are owed in currencies whose availability in the international financial markets is unduly constrained at the time the payments fall due (but not when this is a routine problem), (b) when the overdue amount is less than \$50,000, and (c) when significant partial payments of the overdue amount have been received by the Bank, and/or the borrower has made acceptable arrangements to bring the outstanding amounts up to date.

Nonaccrual Policy: All public sector loans for both OCR and ADF and all private sector loans will be placed in nonaccrual status when interest or principal on such loans is overdue by six months. Exceptions will be made if it is expected that the past due amounts will be paid shortly thereafter.

Loan Loss Provisioning Policy: Where there are doubts about the ultimate collectability of the principal of loans, the following provisioning policies will apply:

(i) In the case of OCR and ADF public sector loans, specific loss provisions will be initiated after payment obligations to the Bank in respect of a borrower's interest or principal are in arrears to the Bank for one year, unless there is clear and convincing evidence warranting the deferment or acceleration of such provisioning.

(ii) The Bank will continue to make specific loss provisions for private sector loans and equity investments as determined by Management after quarterly reviews of Bank projects in the Bank's portfolio.

(iii) On the remainder of the private sector portfolio not covered under specific provisions, the Bank will make general loan loss provisions at a rate to be determined by the Board of Directors from time to time. For the years 1993 to 1995, the Bank's Board of Directors approved a general loss provision of 4%, 6% and 8%, respectively.

(iv) The amount of provisioning to be charged against the Bank's current OCR and ADF income each year for both public and private sector loans and equity investments will be reviewed and approved annually by the Board of Directors.

Liquidity Policy: The current approach of holding 40% of undisbursed loan balances in liquid assets at the end of the year will remain the operative approach in determining the appropriate minimum liquidity level. That approach will

be supplemented by the cash flow approach to ensure that the Bank's planned liquidity level at the end of the year is neither excessive nor insufficient in terms of covering future cash flows. The Bank's borrowing activities will be allowed sufficient flexibility to enable it to avail of advantageous borrowing opportunities which may arise even if such action would result in liquidity at the end of some years being above the minimum liquidity level. The amount of that discretionary liquidity will be determined on a year-to-year basis when the Bank presents its annual borrowing program to the Board for consideration.

Income Management Policies: The Bank will retain its present policy of maintaining its interest coverage ratio (ICR) at no less than 1.25, and will maintain its reserve:loan ratio (RLR) at no less than 25%.

Currency Management Practices

Changes in the Bank's currency management practices approved by the Board in June 1992 envisaged, among other things, improvement in (i) the currency composition of borrowers' debt obligations relative to the applicable lending rates, and (ii) the predictability of their debt-service payments. One such change was that the Bank would disburse additional US dollars into the Exchange Risk Pooling System (ERPS) pool of loans for allocation to fixed-rate loans to improve the transparency of the applicable lending rates. It was envisaged that once the share of the US dollar in the currencies disbursed under ERPS fixed-rate loans had reached the equivalent of about 30%, all fixed-rate loans would be removed from the ERPS pool. This would allow borrowers' currency obligations under these loans to be fixed, and borrowers to be provided with schedules of principal repayments by currency.

This target was substantially achieved on 30 June 1993, when US dollar disbursements under the fixed-rate loans in the ERPS pool reached about 28% of the total outstanding balance. All 154 fixed-rate loans, totalling about \$4.2 billion, were accordingly taken out of the pool. The size of the pool was thus reduced from about \$11.8 billion to about \$7.6 billion. The Bank also began providing the borrowers concerned, as well as borrowers whose loans were not previously included in the ERPS pool, with new amortization schedules based on the relevant pro rata currency obligations as their payments fell due.

Another change approved by the Board related to the improvement of the predictability of the debt-service payments of borrowers with pool-based variable-rate loans that remained in the ERPS pool. Work is currently in progress to provide these borrowers with one-year advance estimates of their debt-service payments to assist them in their debt-service management.

Financial Ratios

The ICR, which is the ratio of net income (before deducting interest on borrowings) to interest on borrowings, measures the Bank's ability to meet its debt obligations out of earnings. As of 31 December 1993, the ICR stood at 1.71 compared with 1.77 at the end of 1992. The RLR, which is the ratio of reserves to disbursed and outstanding loans, measures the Bank's ability to protect itself against capital impairment due to possible loan losses. At the end of 1993, the RLR was 35.8%, compared to 36.9% at the end of 1992.

Lending Rate

Since 1 July 1992, the Bank has been offering its OCR borrowers a choice of either traditional Bank loans, i.e., variable-interest-rate multicurrency loans which are included in the ERPS, or loans in US dollars from the new US dollar variable-interest-rate loan facility. The lending rate on both facilities is adjusted on 1 January and 1 July each year. The lending rate on multicurrency loans applies to all such loans approved on or after 1 July 1986 and to nearly all ordinary operations loans approved between 24 September 1985 and 30 June 1986. It is determined by adding a spread (currently 0.4% per annum) to the average cost of a pool of the Bank's outstanding qualified borrowings. The spread is intended to ensure that the Bank's loan charges (the spread plus a commitment fee) are sufficient to cover administrative expenses and any cost of carrying liquidity. From an initial level of 7.65% per annum, set on 1 July 1986, the lending rate progressively declined until 1 January 1990 when it reached its lowest level of 6.33% per annum. Following increases on 1 July 1990, 1 January 1991 and 1 July 1991 (when it reached 6.61% per annum), the rate has again progressively declined. The rate was reduced on 1 January

1993 to 6.47% per annum from 6.51% per annum, and was further reduced on 1 July 1993 to 6.34% per annum.¹

The lending rate on US dollar loans is set at a spread (currently 0.4% per annum) over the average cost of outstanding borrowings undertaken to fund the US dollar pool. From its initial level of 6.63% per annum for the first half of 1993, the rate was increased to 6.64% per annum on 1 July 1993.²

Currency Composition of Loans

In 1993, the major currencies of loan disbursement were yen (68.4%), Swiss franc (15.2%), and US dollar (11.5%). The concentration in yen and Swiss francs was in line with the Bank's practice of borrowing and disbursing in low-coupon currencies to keep the lending rate low. Disbursements in US dollars were principally for loans under the US dollar lending facility.

Status of Loans

Altogether, 38 OCR loans were approved in 1993. About 76% of cumulative loan approvals were made to five countries, viz., People's Republic of China, India, Indonesia, Pakistan and Philippines.

At the end of 1993, seven private sector loans were in arrears. Of these, four loans with an aggregate outstanding disbursed balance of about \$38 million were in nonaccrual status. However, payments under one of these loans have since been made current.

Loan Disbursements and Repayments

Loan disbursements in 1993 totalled \$2,016 million, an increase of 7.3% over 1992. Principal repayments for the year were \$778 million, of which \$241 million represented prepayment on loans. On 31 December 1993, cumulative loans outstanding after allowance for possible losses amounted to \$13,705 million.

Borrowings

In January 1993, the Board authorized a borrowing program for 1993 of \$2,900 million, of which \$400 million was for refinancing which would have a neutral effect on the

LENDING RATE* (% per annum)			
	1992	1993	
1 January	6.58	6.47	(Multicurrency)
		6.63	(US dollar)
1 July	6.51	6.34	(Multicurrency)
		6.64	(US dollar)

* Since 1 July 1992, borrowers have had a choice of multicurrency or US-dollar-denominated loans.

1 On 1 January 1994, the Bank announced that the lending rate to apply from 1 January 1994 to 30 June 1994 on multicurrency loans would be 6.26% per annum, its lowest level to date.

2 The rate for the first half of 1994 is 6.67% per annum.

Bank's liquidity position. The program was designed to enable the Bank to (i) maintain its presence in capital markets where it had borrowed in recent years, (ii) tap new markets, especially where contributions to the development of capital markets in the Asian and Pacific region could be achieved, (iii) produce low-cost funds, and (iv) emphasize borrowings with longer maturities. Furthermore, it was envisaged that the size of the Bank's bond issues would be increased to enhance their secondary market liquidity and to narrow the funding spreads of the Bank's future borrowings.

In the midyear review of the Bank's liquidity situation and borrowing program, the size of the borrowing program was adjusted downward to \$2,039 million. This was done to keep the projected 1993 year-end liquidity ratio within the range of 40 to 45%. The decrease in the borrowing program was largely due to downward revisions in the OCR loan commitment and disbursement projections as well as to the prepayment of 19 Malaysian loans. It was indicated also in the midyear review that the effect of actual OCR loan commitments and disbursements as well as exchange rate levels on the liquidity ratio would be monitored. If necessary, further adjustments would be made to the size of the borrowing program. Based on OCR projections at that time, and assuming exchange rates would remain unchanged, the Bank's liquidity ratio at the end of 1993 was estimated to be 42.5%. However, in view of a further downward revision in the projection for 1993 OCR loan commitments, borrow-

ings were again reduced. The Bank undertook only one borrowing in the second half of 1993 (in Hong Kong dollars). Total borrowings for the year thus amounted to \$1,720 million.

The Bank's Euroyen and Samurai bond issues were undertaken early in 1993 to provide (i) a large portion of the low-coupon currencies expected to be required for disbursements throughout the year for the multicurrency lending window, and (ii) debt-redemption requirements in yen. In view of the buoyancy of these debt markets and the historically low-cost levels achievable in yen, it was considered appropriate that the Bank extend the maturity of these borrowings by floating the 20-year Samurai bond issue. The 10-year Euroyen issue was successful in achieving "benchmark" status as a tradeable and liquid bond issue in the secondary market.

The Bank's first Euro-Canadian dollar public bond issue in February, combined with a currency liability swap transaction into US dollars, was designed to provide the US dollar window pool with part of the projected \$300 million needed for disbursements during 1993.

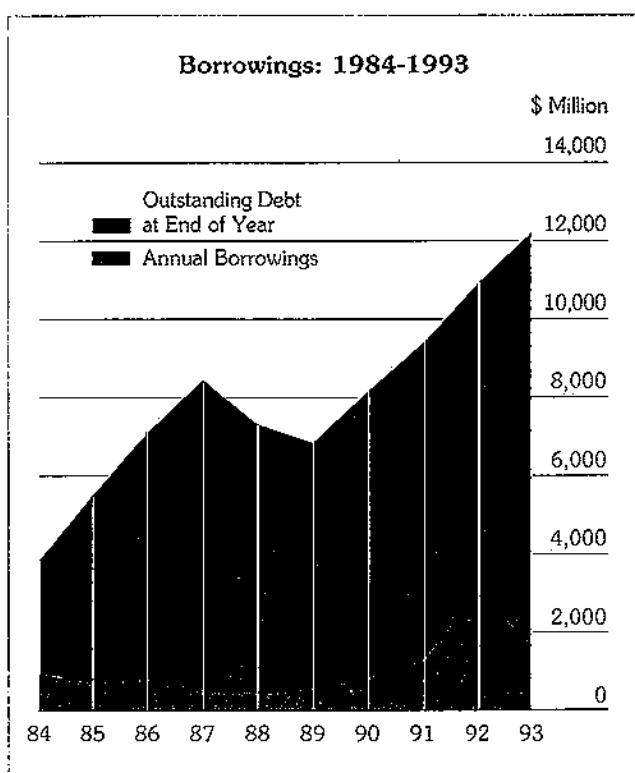
In March, the Bank undertook its first Dragon yen bond issue. This provided the opportunity to diversify the Bank's cost-effective sources of yen funding and at the same time to introduce another international currency to the Asian region bond market. The \$500 million Eurodollar bond issue undertaken in May was the Bank's second "benchmark" size issue in this market sector. It provided additional low-coupon currency proceeds via swap transactions into yen. However, \$100 million was retained for the US dollar pool.

The 1993 borrowing program was concluded in September with a second Hong Kong dollar bond issue. This had a principal amount of HK\$1 billion and an eight-year maturity. The issue was initially swapped into floating-rate US dollars, followed by a swap into fixed-rate yen.

The 1993 liability management program consisted of prepayments of two yen bond issues (7.3% yen bonds of 1985/00 and 6.4% yen bonds of 1985/00) with an aggregate outstanding principal amount of approximately ¥50 billion and 6.125% Swiss franc bonds of 1984/96 with an outstanding principal amount of SwF 88 million.

The average life of the borrowings undertaken in 1993 was 10.5 years, compared to 9.7 years in 1992. Reflecting the gradual overall decline in interest rates in major capital markets during the year, the weighted average cost (after swaps) of funds raised in 1993 declined to 5.16% per annum from 5.86% per annum in 1992.

The average cost of funds raised during 1993 for the multicurrency variable lending rate facility (i.e., all borrowings excluding the Euro-Canadian dollar bond issue and \$100 million of the Eurodollar bond issue) was 4.92% per annum. The average cost of funds raised during 1993 for the US dollar lending facility was 6.31% per annum.



Liquid Asset Investments

At the end of 1993, the Bank's liquid assets totalled \$5,558 million (or approximately 42.2% of undisbursed loan balances). These liquid assets consist of investment holdings (net of special reserve investments) and unrestricted cash. The Bank follows a policy of maintaining a year-end level of liquid assets which is no less than 40% of undisbursed balances of both effective and not-yet-effective loans. This helps to ensure the uninterrupted availability of funds for the Bank's operations. It also helps ensure flexibility in its borrowing activities, especially when borrowings may be temporarily affected by adverse conditions in the capital markets.

The Bank's primary objective in investing its liquid assets is to ensure the security and liquidity of funds invested. Subject to this objective being met, the Bank seeks to maximize the income on funds invested. The Bank achieves these objectives by actively managing its liquid asset portfolio within the credit and financial risk parameters under the Investment Authority approved by the Board in October 1991. Among other things, this Authority permits the Bank to invest in the obligations of government and government-

guaranteed entities, to engage in securities lending transactions, to enter into "short" securities positions, to execute transactions in financial futures and options and to engage in covered forward investments. The Bank is prohibited from assuming foreign exchange risk in its investment activities.

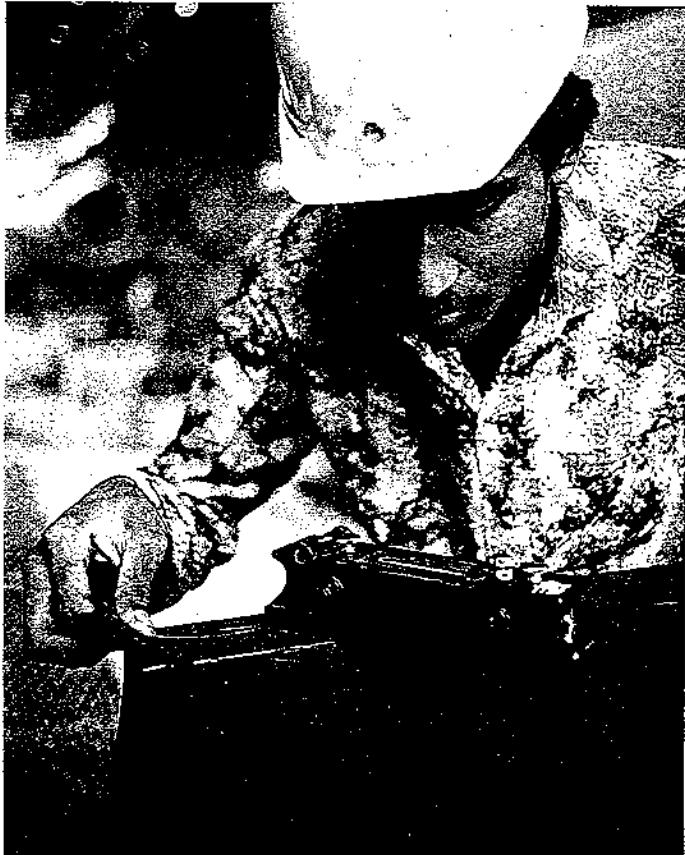
At the end of 1993, OCR investments amounted to the equivalent of \$5,641 million (\$5,234 million equivalent at the end of 1992). These investments were denominated in 22 different currencies. Approximately 79% of these investments (81% at the end of 1992) was held in securities issued or guaranteed by member governments, multilateral development banks and other government entities. The balance was held in deposits and other bank instruments in member countries. The realized rate of return on OCR investments over 1993 was 7%, compared with 7.8% in 1992. This reduction in the realized rate of return reflects lower short-term interest rates internationally. However, as a result of prudent liquidity management, the Bank realized capital gains of \$81.3 million equivalent, compared to \$19.6 million equivalent in 1992. During the year, the Bank made further efforts to improve the efficiency of its investment operations: risk management was enhanced, systems infrastructure was improved and performance monitoring and attribution was examined.

Capitalization

Resolutions No. 193, 194 and 195, adopted by the Board of Governors in September 1988, authorized special increases in the capital subscriptions of Japan, Sweden and United States. The Resolutions provided that the subscriptions would become effective in stages and pro rata as and when payments for the paid-in shares are made. As of 31 December 1992, Japan, Sweden and United States had deposited Instruments of Subscription for their entitlements. The subscriptions of Japan and Sweden, both of which had paid the entire amount of their paid-in shares, had become effective in full. The United States, however, had made only a partial payment relating to 3,151 paid-in shares and 23,087 callable shares. Accordingly, that portion of its subscription was deemed to have become effective. At the end of 1992, the United States had not completed payment for that part of its subscription relating to 1,080 paid-in shares and 7,912 callable shares. In March 1993, at the request of the United States and as permitted by Resolution No. 195, the Board of Directors approved an extension of the deadline for the United States to complete its payments from 31 March 1993 to 31 March 1994. At the end of 1993, the payment had not been received.¹

As of 31 December 1993, the Bank's authorized capital stock amounted to \$23,200 million (SDR 16,890 million).

¹ The payment was received on 14 March 1994. Accordingly, the balance of the United States' subscription was deemed to have become effective as of that date.



CHECKING tolerance of turbine fittings at the North Madras Thermal Power Plant in India, which received a \$150 million loan from the Bank.

INCOME AND EXPENSES - ORDINARY CAPITAL RESOURCES
 (amounts in \$ million)

Income and Expenses	Actual				
	1989	1990	1991	1992	1993
1. Total Income	1,036.3	1,103.4	1,213.3	1,345.2	1,510.0
2. Less: Expenses Charged to Ordinary Capital Resources					
a. Interest and other Financial Expenses	536.1	528.4	609.8	729.6	831.8
b. Administrative Expenses ^a	63.0	64.8	83.1	81.0	88.9
c. Provision for Losses	—	—	—	0.6	19.5
d. Services to Member Countries	1.9	1.7	2.5	—	—
Total Expenses	601.0	594.8	695.3	810.6	940.2
3. Net Income	435.3	508.6	518.0	534.6	569.8

Note: Figures may not add due to rounding.

^a Net of Administration Charge to Special Operations which is allocated on the basis of a formula for apportioning administrative expenses between ordinary capital resources and the Asian Development Fund.

The subscribed capital stock stood at \$23,076 million (SDR 16,800 million).

Income and Expenses

Gross income increased by 12%, from \$1,345 million in 1992 to \$1,510 million in 1993, as a result of a 15.1% growth in the Bank's operating assets. Of the total gross income, \$1,076 million was generated by the loan portfolio and \$410 million by the investment portfolio.

The income yield from the loan portfolio (including commitment charges) declined to 8% from 8.3% in 1992. This was mainly due to the increasing share of lower-yield variable rate loans in the portfolio (from 51.8% to 60.5%).

The income yield on the investment portfolio declined to 7% from 7.8% in 1992 due to lower interest rates in the major investment currencies. The overall return on operating assets achieved for the year was 3% compared with 3.2% in 1992.

Total operating expenses amounted to \$940 million, up \$129 million from the previous year. The rise in expenses was due to the \$102 million increase in financial expenses, \$8 million increase in administrative expenses and \$19 million increase in the provision for losses. Total operating expenses accounted for 62.3% of the gross income, compared with 60.3% in 1992.

Net income for the year, before appropriation of guarantee fees to Special Reserve, amounted to \$570 million. This was a 6.6% increase over the previous year. This compared with a 3.2% increase in net income in 1992.

SPECIAL FUNDS: Asian Development Fund, Technical Assistance Special Fund & Japan Special Fund

Asian Development Fund

ADF and TASF Replenishment (ADF VI)

THE CURRENT Asian Development Fund (ADF) and Technical Assistance Special Fund (TASF) replenishment (ADF VI), authorized by Resolution No. 214 of the Board of Governors, is intended to finance the Bank's concessional lending operations during the four years from 1992 to 1995. Of the replenishment total of \$4.2 billion (at the exchange rates specified in the Resolution), \$140 million is for allocation to the TASF primarily for project-related technical assistance to poorer DMCs and for regional technical assistance.

During 1993, the Bank received ADF VI Instruments of Contribution from Belgium, Finland, Netherlands, Spain and United Kingdom. With Instruments of Contribution still outstanding from Italy, Turkey and United States, the total amount of Instruments received by the end of the year amounted to \$3,302 million (at the exchange rates specified in the Resolution).¹ Canada's Instrument of Contribution contained a qualification, as permitted by the Resolution, that all instalment payments except the first would be subject to budgetary appropriations. The Resolution had envisaged that the second tranches of the unqualified contributions would become available for operational commitments on 1 January 1993 provided that, prior to that date, the Bank had received Instruments of Contribution totalling at least \$3,360 million, which should include Instruments relating to all contributions intended to be qualified. Since the United States, which intended to make a qualified contribution, was unable to deposit its Instrument of Contribution before the end of 1992, the availability of the second tranches was delayed. In December, the United States made a payment of \$75,022,950, equivalent to 44.13% of its first instalment.

The Resolution envisaged that the third and fourth tranches of the unqualified contributions would become available for operational commitments on 1 January 1994

and 1 January 1995, respectively. Receipt of the United States' Instrument of Contribution in January 1994 therefore cleared the way for the release of both the second and third tranches of the unqualified contributions. Since the United States had made available only 44.13% of its first tranche, however, contributing countries had the right, pursuant to the Resolution, to notify the Bank within 30 days that, pending the availability of a further amount of the United States' contribution, only 44.13% of their second tranches and none of their third tranches would be available to the Bank for operational commitments.²

ADF Commitment Authority

At the beginning of 1993, total ADF commitment authority, i.e., the maximum amount of ADF lending which the Bank could undertake with the available resources, was about \$1,457 million. The first tranches of the unqualified ADF VI contributions received during 1993 from Belgium, Finland, Netherlands, Spain and United Kingdom added \$63 million to resources (at the exchange rates applicable at the time of release). During the year, the US dollar value of ADF resources contributed by Japan increased significantly as a result of the yen's appreciation against the US dollar. This increase more than offset the declines resulting from depreciations of virtually all other currencies.

Under the financial policies approved by the Board in January 1991, the ADF lending limitation is defined as a certain proportion (referred to as the gearing ratio) of undisbursed resources. At the end of 1993, the ADF lending limitation was about \$6,390 million. The ADF lending headroom (equal to the difference between the lending limitation and the amount of committed but undisbursed loans) amounted to \$393 million. In addition, the Bank also had advance commitment authority of \$327 million (equivalent to 85% of projected ADF investment income and loan repayments during the period 1 January 1994-31 December 1995). The Bank's total ADF commitment authority at the end of 1993 therefore stood at \$720 million.

¹ The United States' Instrument of Contribution was received on 25 January 1994.

² Contributing countries which exercised this right were: Austria, Belgium, Canada, France, Germany, Nauru and United Kingdom. Spain and Switzerland made available 100% of their second tranches and none of their third tranches.

Loan Disbursements and Repayments

The total ADF disbursements during 1993 increased by 4.2% to \$925 million from \$888 million in 1992. At the end of the year, cumulative disbursements from ADF resources reached \$8,416 million. Loan repayments for the year amounted to \$75 million and cumulative repayments came to \$443 million. During 1993, seven ADF loans were fully repaid and 40 new ADF loans were approved by the Board.

ADF Revenue and Expenses

In 1993, the excess of ADF revenue over expenses (net income) was \$73 million, bringing the accumulated surplus to \$809 million at the end of the year.

Gross revenue, consisting mainly of revenue from ADF investments and service fees on ADF loans, amounted to \$148 million. Expenses, consisting mainly of administration charges payable to ordinary capital resources, were \$75 million.

Portfolio Position

The ADF investment portfolio amounted to \$725 million at the end of 1993, compared with \$937 million at the end of 1992. Of the portfolio, 60% was held in securities issued or guaranteed by governments of member countries. The rest was invested in deposits and other bank instruments in member countries. The return on ADF investments was 5.5%, compared with 7.6% in 1992.

The ADF loan portfolio grew by 15% to \$9,375 million. The loans were concentrated in Pakistan (30%), Bangladesh (28%), Nepal (7%) and Sri Lanka (10%).

The portfolio was denominated in 18 currencies. Japanese yen and US dollars formed 71% of the portfolio.

Loans to Afghanistan have been in nonaccrual status since the beginning of 1993. The country's loans outstanding amounted to \$31 million, about 0.33% of total outstanding ADF loans. Loans to Viet Nam, which had been in nonaccrual status since 31 December 1990, came out of nonaccrual status during the year. Viet Nam cleared its arrears to the Bank in May and October, with repayments of \$14.25 million.

Technical Assistance Special Fund

The TASF portion of ADF VI contributions received by the Bank as of 31 December 1993 amounted to \$113.3 million (equivalent to \$110.4 million at the exchange rates specified in Governors' Resolution No. 214).

In May 1993, the Board of Governors allocated \$60 million from the 1992 net income of OCR to TASF. During the year, India and Pakistan made direct voluntary contributions to TASF amounting to \$145,000 and \$59,000 equivalent,

respectively. Both contributions (India's 13th and Pakistan's 17th) were partly untied, available for use in financing costs of services and facilities procured from all DMCs.

As of end-1993, total TASF resources amounted to \$427.5 million, composed of allocations from ADF V and ADF VI contributions (\$204 million), allocations from OCR net income (\$110 million), direct voluntary contributions to TASF (\$85.5 million), income from investments and other sources (\$29.3 million), and transfers out of TASF to ADF (\$1.3 million). Out of the total TASF resources, \$294.9 million had been utilized. This left an unutilized balance of \$132.6 million.

Operations and Resource Position

The TASF remained a major source (59%) of funding for services to member countries, with 156 new projects approved during the year. Revenue from investments increased from \$205,000 in 1992 to \$1.1 million, in spite of a decline in the yield on TASF investments from 8.8% in 1992 to 3.8%. The revenue increase was due mainly to additional resources available from the allocated surplus from OCR income and the second regularized TASF replenishment. Total revenue and contributions amounted to \$71 million. Against the TASF undisbursed balances of \$133 million, there were outstanding commitments of \$104 million.

The \$103 million cash contribution received in 1993 more than fully funded the \$43 million TASF expenditure. The balance was used to increase the investment portfolio.

At the end of the year, TASF investments stood at \$79 million. Other assets, comprising accounts receivable from ADF and contributors, advances to consultants and others, totalled \$69 million. Accounts payable to consultants and others amounted to \$18 million.

Japan Special Fund

During 1993, the Government of Japan provided a total amount of ¥9.07 billion (equivalent to about \$80.1 million) for its sixth-year contribution to the Japan Special Fund (JSF). The amount included ¥7.1 billion in regular contributions and ¥1.97 billion in supplementary contributions. This brought Japan's cumulative commitments to JSF since its inception on 10 March 1988 to ¥43.26 billion (equivalent to about \$376.7 million).

The cumulative total included regular contributions amounting to ¥37.9 billion (equivalent to approximately \$329.2 million) and supplementary contributions of ¥5.36 billion (about \$47.5 million). The supplementary contributions were to be used for symposia/training (¥0.21 billion), women-in-development activities (¥0.75 billion), environment-related activities (¥3.4 billion), and activities to promote private sector (¥1.0 billion).

Of the total contributions received by the Bank, \$109.7 million had been utilized as of 31 December 1993, including \$108.4 million for technical assistance and \$1.3 million for equity investments. Funds awaiting disbursements are invested. In 1993, income from such investments amounted to \$7.8 million, down by 1.5% as a result of a decline in interest rates. As agreed with the Japanese Government, part of the investment income was used to defray the Bank's direct and identified administrative expenses.

Operations and Resource Position

Even with a higher volume of investments, the revenue from JSF investments decreased by 1.4% during the year as the realized rate of return on investment declined from 4.6% in 1992 to 3.1% in 1993. Total expenditure amounted to

\$34 million (up 27%) for services to member countries and \$0.63 million (up 0.9%) in administrative expenses.

With additional contributions committed during the year, there was an operational surplus, which raised unexpended JSF balances to \$300.6 million.

The cash flow position remained satisfactory. The \$85 million received on account of contributions provided the major source of funds. Together with the \$8 million in interest earned on investments, this was far in excess of the required expenditure. The surplus was used to increase the investment portfolio.

At year-end, the quantum of JSF investments, including equity investments of \$1.2 million, stood at \$307 million, up 38%. Other assets, comprising advances to consultants and others, increased by 36% to \$7 million. Accounts payable (mainly for consulting services) stood at \$14 million.



ADMINISTRATION

Appointments of President and Vice-President

THE BOARD of Governors unanimously elected Mitsuo Sato as President of the Bank, succeeding Kimimasa Tarumizu, who resigned after four years in office. Mr. Sato, who was Deputy President of the Tokyo Stock Exchange at the time of his appointment, took over his position on 24 November.

The Board of Directors, acting on the recommendation of President Tarumizu, appointed Bong-Suh Lee as Vice-President (Projects), effective 1 August. Mr. Lee succeeded Vice-President In Yong Chung, who left the Bank in July. At the time of his appointment, Mr. Lee was an adviser to the Korea Institute for Industrial Economics and Trade and the Korea Energy Economics Institute.

Personnel Management and Development

At the end of 1993, the Bank had 1,898 staff, coming from 43 of its 53 member countries. The total comprised 645 professional and 1,253 supporting staff. During the year, there were 72 appointments and 55 terminations of professional staff, while 138 supporting staff joined the Bank and 32 left.

To support the objectives of its Medium-Term Strategic Framework, the Bank decided to establish a planning and policy framework for the management and development of its human resources. Accordingly, a medium-term operational strategy paper on Human Resources Development and Management was prepared in May. The strategy is aimed basically at improving staff skills mix and performance.

Following a review of the implementation of the 1992 performance evaluation exercise for professional staff, changes were introduced to the 1993 performance evaluation report (PER) forms to further refine the system for fairness and transparency. A relative performance-based PER system was introduced for supporting staff for the first time in 1993. It contained features similar to the PER system for the professional staff.

Changes introduced during 1992 in in-house staff

training programs were further consolidated in 1993. A number of initiatives were introduced. Efforts were made to identify staff training needs through the annual performance evaluation exercise. Total quality management concepts were integrated into a number of in-house training programs, including the Manager Development Program (MDP). Seminars were conducted on how to improve project design, social sector analyses and participatory approaches to development. A more targeted approach was followed in meeting the training needs of the supporting staff. It was evident that the commitment at all levels to staff training and skills development had grown. A marked improvement was seen in the learning environment within the Bank.

The second round of MDP was successfully completed with 24 graduates during the year. A third round with 35 participants was started. Two workshops/retreats were held for the Bank's principal officers. One was focused on topical strategic and managerial issues. The other dealt with the draft Human Resources Development and Management Operational Strategy paper.

The Bank continued to make its personnel policies and management practices more transparent. Work on its Promotion Guidelines Project for the professional staff and the Job Streaming and Progression Guidelines Project for the supporting staff was ongoing. The Promotion Guidelines Project generated draft promotion guidelines for five job streams (i.e. Programs Economists, Programs Officers, Project Economists, Project Specialists and Financial Analysts) in the operations departments at job levels 4, 5 and 6.

The Job Streaming and Progression Guidelines Project was aimed at developing appropriate job streams and a new job structure for supporting staff positions. Initiated in 1993, the project would enable the Bank to make a better use of supporting staff skills and allow the supporting staff to enhance their careers within the respective job streams. The final phase of the project, to be completed in early 1994, would involve slotting all current jobs into the new job structure.

Compensation and Benefits

Effective 1 June 1993 the Board approved overall pay

increases of 6.5% for professional staff and 12.4% for supporting staff. In accordance with the Bank's new salary-setting procedures the increase was distributed to staff according to performance and relative position on the salary scale.

In 1993, the Bank revised the educational grant entitlement for both duty-station and out-of-duty station schooling to reflect increases in the cost of education. The Bank also increased the coverage of travel accident insurance for dependents while on Bank-paid travel, of marine insurance for shipment of household goods and of the Force Majeure Protection Program.

In order to make debt servicing more stable and equitable, the Housing Loan Program for the supporting staff was converted from a dollar-funded program to one funded entirely in Philippine pesos. The Bank agreed to subsidize the premiums for eligible retirees participating in the Group Medical Insurance Plan at the same 80% rate provided to active staff.

Internal Audit

The Internal Audit Office (IAO) assists all levels of management in the Bank by furnishing them with periodic, independent and objective appraisals and audits of financial, accounting, administrative, project-related, computer-based and other activities within their respective areas of responsibility, including identifying possible means of improving the efficiency, effectiveness and economy of Bank activities and the use of its resources. In pursuance of the independent nature of its function and role, IAO reports to the President and its activities are reviewed by the Audit Committee of the Board to ensure that these activities are adequate and efficient.

IAO's effort to promote operational and organizational efficiency in all areas of Bank operations was reflected in the audits conducted during 1993. Evaluation of the economy, efficiency and effectiveness relating to the audit subject was further enhanced, in addition to determination of compliance with Bank policies and procedures and assessment of internal controls. IAO continued to be actively involved in the audits of selected consultants' contracts. It also provided direct and integrated assistance to the Bank's external auditors, who continued to find IAO's work to be competent and objective. IAO also actively participated in a number of Task Forces/Working Groups and provided inputs from an internal control point of view, as part of IAO's advisory services to other Departments and Offices in the formulation and development and/or enhancement of systems and procedures.

The monitoring by IAO of the status of implementation of audit recommendations contained in audit reports are conveyed periodically to Management and the Audit Committee of the Board, as well as to Heads of Departments

and Offices for necessary action. The satisfactory level of implementation of audit recommendations during 1993 was reflective of the responsiveness of the various Departments and Offices, and was, at the same time, indicative of the appropriateness of IAO's recommendations. In this respect, the Audit Committee of the Board commended the high quality and extensive depth and coverage of the audit reports.

Information Technology Program

Subsequent to the formulation of a cost-effective Information Technology Strategy for the Bank in 1992, a capital project proposal, amounting to \$6.25 million, was prepared during the year. It was approved by the Board for the period to the end of 1996. The implementation of the strategy was started during the year with the procurement of some of the major components to establish a Bankwide network infrastructure. Such an infrastructure would enable the introduction of key programs like Electronic Mail System, Groupware, Document Image Processing and Electronic Communications with external organizations and offices. To enable the Bank to move to a more powerful client/server environment, microcomputers in use at the Bank will be upgraded.

In addition to the enhancement and maintenance of existing systems, several major systems development projects were undertaken. These included the Environment Monitoring Information System, Insurance Administration System, Budget Planning System and Automated Financial Statements Generation Systems.

Design and development work was started on systems relating to Social Dimension Information, Staff Consultants, News Release Editing, Legal Information, Board Document Image Processing, Staff Retirement, Variable Lending Rate Computation, Inter-Application Message Handling and Regional/Resident Offices Accounting.

Depository Library Program

In 1993, the Bank introduced a Depository Library Program in response to a growing public demand for information about its activities. Under the program, selected Bank publications will be deposited regularly in key libraries in member countries. As of end-1993, 40 libraries in 24 member countries had agreed to participate in the program.

Administrative Services

Major technological innovations were introduced during the year to improve the delivery and reduce costs of communications services. Plans were ongoing to automate and upgrade the Library to become a more user-friendly and

effective resource center. Following a study done by consultants, a Board paper was under preparation to introduce energy-saving measures in the Bank's Headquarters Building.

Budget

Internal Administrative Expenses for 1993 amounted to \$151.756 million against the original budget of \$161.93 million. The underutilization of \$10.174 million was mainly due to the lower number of staff years with a corresponding decrease in benefit costs; favorable exchange rates; savings from the lower-than-budgeted expenses for staff consultants and business travel; a reduction in contractual services as a

result of the conversion of contractual staff to special positions; deferred maintenance in office occupancy and lower depreciation expenses.

The Internal Administrative Expenses Budget for 1994 of \$168.259 million (summarized in Appendix 1) represents an increase of \$16.503 million over the actual expenses of \$151.756 million incurred in 1993. The increase is due to higher provisions for the Annual Meeting; full utilization of authorized staff strength and increase in consultant services and business travel to provide for increased operational activities in Viet Nam and the Central Asian Republics. The 1994 Budget includes provisions for anticipated price adjustments, establishment of a new Resident Office, and the usual general contingency.

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INDEPENDENT AUDITORS' REPORT

Asian Development Bank:

We have audited the following financial statements of the Asian Development Bank - Ordinary Capital Resources (OCR):

- OCR-1 Balance Sheet, 31 December 1993 and 31 December 1992
- OCR-2 Statement of Income and Expenses for the Years Ended
31 December 1993 and 31 December 1992
- OCR-3 Statement of Cash Flows for the Years Ended
31 December 1993 and 31 December 1992
- OCR-4 Statement of Changes in Capital and Reserves for the Years Ended
31 December 1993 and 31 December 1992
- OCR-5 Summary Statement of Loans, 31 December 1993 and
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- OCR-6 Summary Statement of Borrowings, 31 December 1993 and
31 December 1992
- OCR-7 Statement of Subscriptions to Capital Stock and Voting
Power, 31 December 1993
- OCR-8 Notes to Financial Statements, 31 December 1993 and
31 December 1992

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Asian Development Bank - Ordinary Capital Resources at 31 December 1993 and 31 December 1992 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note A to the financial statements, the Bank changed its method of accounting for certain investments in debt and equity securities as of 31 December 1993.

Deloitte & Touche

23 February 1994

ASIAN DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

BALANCE SHEET

31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note A)

A S S E T S

	1993	1992
DUE FROM BANKS (Note B)	\$ 169,705	\$ 123,661
INVESTMENTS – 1993 amounts at fair value, 1992 amounts at cost or amortized cost (Notes A, B, C and I)		
Government and government guaranteed obligations	\$ 4,439,268	\$ 4,218,256
Time deposits and other obligations of banks	<u>1,201,607</u>	<u>1,015,667</u>
LOANS OUTSTANDING (OCR-5) (Notes D, O and P)		
Members and guaranteed by members	13,399,580	11,786,389
Private sector	<u>318,274</u>	<u>236,386</u>
Less – allowance for possible losses	<u>13,717,854</u>	<u>12,022,775</u>
Less – allowance for possible losses	<u>13,242</u>	<u>342</u>
EQUITY INVESTMENTS (Notes A, O and P)	114,343	120,057
Less - allowance for possible losses	<u>9,117</u>	<u>2,624</u>
ACCRUED INCOME		
On investments	64,151	47,958
On loans	<u>270,663</u>	<u>250,261</u>
RECEIVABLE FROM MEMBERS		
Non-negotiable, non-interest-bearing demand obligations (Notes B and F)	290,886	293,156
Amounts required to maintain value of currency holdings (Note G)	<u>3,026</u>	<u>4,759</u>
Subscription instalments (Note F)	<u>348</u>	<u>365</u>
OTHER ASSETS		
Receivable from currency swaps (Note E)	3,981,987	3,239,889
Notional amounts required to maintain value of currency holdings (Note G)	<u>541,006</u>	<u>497,174</u>
Property, furniture and equipment (net of accumulated depreciation of \$ 30,421 – 1993, \$ 22,131 – 1992) (Note A)	<u>175,526</u>	<u>181,455</u>
Unamortized issuance costs of borrowings	<u>77,499</u>	<u>84,286</u>
Administration charge receivable from the Asian Development Fund (Note H)	<u>31,729</u>	<u>24,557</u>
Miscellaneous	<u>53,681</u>	<u>42,852</u>
TOTALS	\$ 25,110,920	\$ 22,164,162

See notes to financial statements (OCR-8).

LIABILITIES, CAPITAL AND RESERVES

	1993	1992
BORROWINGS (OCR-6) (Note E)	\$ 12,218,024	\$ 10,937,834
ACCRUED INTEREST ON BORROWINGS	322,316	268,154
ACCOUNTS PAYABLE AND OTHER LIABILITIES		
Payable for currency swaps (Note E)	\$ 4,510,678	\$ 3,487,476
Notional amounts required to maintain value of currency holdings (Note G)	286,336	223,950
Miscellaneous (Note A)	<u>113,066</u>	<u>96,555</u>
CAPITAL AND RESERVES (OCR-4)		
Capital Stock (OCR-7) (Notes A and F)		
Authorized (SDR 16,890,210,000 - 1993, SDR 16,889,960,000 - 1992)		
Subscribed (SDR 16,800,290,000 - 1993, SDR 16,800,040,000 - 1992)	23,076,206	23,100,055
Less - "callable" shares subscribed	<u>20,292,110</u>	<u>20,313,081</u>
"Paid-in" shares subscribed	2,784,096	2,786,974
Less - subscription instalments not due	<u>2,654</u>	<u>5,301</u>
Subscription instalments matured	2,781,442	2,781,673
Less - capital transferred to the Asian Development Fund (Note J)	<u>65,395</u>	<u>65,463</u>
	<u>2,716,047</u>	<u>2,716,210</u>
Unrealized investment holding gains (Notes A and C)	40,001	-
Accumulated translation adjustments (Note A)	(22,774)	17,138
Ordinary Reserve (Note K)	4,180,432	3,705,519
Special Reserve (Note I)	177,344	177,018
Net income after appropriation of guarantee fees to Special Reserve (OCR-2) (Note K)	<u>569,450</u>	<u>534,308</u>
TOTALS	\$25,110,920	\$22,164,162

ASIAN DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

STATEMENT OF INCOME AND EXPENSES

For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note A)

	1993	1992
INCOME		
From loans:		
Interest	\$1,030,440	\$910,057
Commitment charge	37,322	31,330
Other	7,982	2,005
From investments (Note C)	409,995	392,119
From other sources - net	<u>24,211</u>	<u>9,730</u>
TOTAL INCOME	\$1,509,950	\$1,345,241
EXPENSES		
Interest and other financial expenses (Note H)	831,773	729,044
Administrative expenses (Notes H, L and M)	88,866	81,050
Provision for losses (Notes D and P)	<u>19,535</u>	<u>593</u>
TOTAL EXPENSES	<u>940,174</u>	<u>810,687</u>
NET INCOME	569,776	534,554
APPROPRIATION OF GUARANTEE FEES TO SPECIAL RESERVE (Note I)		
	(326)	(246)
NET INCOME AFTER APPROPRIATION OF GUARANTEE FEES TO SPECIAL RESERVE	\$ 569,450	\$ 534,308

See notes to financial statements (OCR-8).

ASIAN DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

STATEMENT OF CASH FLOWS

For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note A)

	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and other charges on loans received	\$ 921,775	\$ 814,559
Interest on investments received	309,884	380,053
Interest and other financial expenses paid	(730,996)	(611,572)
Administrative expenses paid	(74,030)	(76,232)
Other - net	4,704	15,928
Net Cash Provided by Operating Activities	<u>431,337</u>	<u>522,736</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash invested in time deposits and other obligations of banks	(235,805)	174,142
Sales and maturities of investment securities	38,569,620	28,726,059
Purchases of investment securities	(38,612,732)	(30,100,298)
Principal collected on loans	1,083,177	710,771
Loans disbursed	(1,870,281)	(1,756,025)
Property, furniture and equipment acquired	(2,362)	(3,810)
Sales (purchases) of equity investments - net	16,416	(12,838)
Compensation for return of Bank premises	-	12,237
Net Cash Used for Investing Activities	<u>(1,051,967)</u>	<u>(2,249,762)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds of new borrowings	1,721,833	3,558,258
Bonds purchased for redemption and borrowings redeemed	(954,677)	(1,832,902)
Matured subscriptions collected ¹	1,140	44,008
Demand obligations of members encashed	1,856	45,944
Net currency swaps	(10,488)	(9,901)
Resources transferred to Technical Assistance Special Fund	(67,856)	(42,144)
Net Cash Provided by Financing Activities	<u>691,808</u>	<u>1,763,263</u>
Effect of Exchange Rate Changes on Due from Banks	<u>(25,134)</u>	<u>(13,461)</u>
Net Increase in Due from Banks	<u>46,044</u>	<u>22,776</u>
Due from Banks at Beginning of the Year	<u>123,661</u>	<u>100,885</u>
Due from Banks at End of the Year	<u>\$ 169,705</u>	<u>\$ 123,661</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Income	\$ 569,776	\$ 534,554
Adjustments to reconcile net income to net cash provided by operating activities:		
Accrued interest and other expenses	61,104	58,645
Accrued income including interest and commitment charges added to loans	(172,805)	(121,327)
Difference between reacquisition price and net carrying amount of borrowings extinguished prior to maturity	14,429	17,401
Depreciation and amortization	37,380	64,220
Net gain from sales of investments	(81,275)	(19,572)
Accrued administration charge	(7,172)	(10,471)
Other - net	9,900	(714)
Net Cash Provided by Operating Activities	<u>\$ 431,337</u>	<u>\$ 522,736</u>

See notes to financial statements (OCR-8).

1 In addition, non-negotiable, non-interest-bearing demand promissory notes amounting to \$ 1,233 (\$51,584 - 1992) were received.

ASIAN DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note A)

	Capital Stock	Accumulated Translation Adjustments	Ordinary Reserve	Special Reserve	Net Income After Appropriation of Guarantee Fees to Special Reserve	Surplus/Technical Assistance Special Fund	Total
BALANCES -							
1 January 1992	\$2,712,411	\$234,620	\$3,219,053	\$176,772	\$517,841	\$ -	\$6,860,697
Change in SDR value of paid-in shares subscribed	(95,038)						(95,038)
Additional paid-in shares subscribed during the year	93,203						93,203
Change in subscription instalments not due	2,995						2,995
Change in SDR value of capital transferred to Asian Development Fund	2,639						2,639
Change in accumulated translation adjustments	(217,482)						(217,482)
Allocation of 1991 net income (Note K)		467,841			(517,841)	50,000	-
Reallocation of surplus to Technical Assistance Special Fund (Note K)					(50,000)		(50,000)
Credit to ordinary reserve for change in SDR value of capital stock (Note K)		18,625					18,625
Net income for the year 1992		246		534,308			534,554
BALANCES -							
31 December 1992 (Forward)	\$2,716,210	\$ 17,138	\$3,705,519	\$177,018	\$534,308	\$ -	\$7,150,193

	Capital Stock	Unrealized Investment Holding Gains	Accumulated Translation Adjustments	Ordinary Reserve	Special Reserve	Net Income After Appropriation of Guarantee Fees to Special Reserve	Surplus/ Technical Assistance Special Fund	Total
BALANCES -								
31 December 1992								
(Forward)	\$2,716,210	\$ -	\$17,138	\$3,705,519	\$177,018	\$534,308	\$ -	\$7,150,193
Change in SDR value of paid-in shares subscribed		(2,914)						(2,914)
Additional paid-in shares subscribed during the year	36							36
Change in subscription instalments not due	2,647							2,647
Change in SDR value of capital transferred to Asian Development Fund	68							68
Unrealized investment holding gains (Note C)	40,001							40,001
Change in accumulated translation adjustments		(39,912)						(39,912)
Allocation of 1992 net income (Note K)			474,308		(534,308)	60,000		-
Allocation of 1992 net income to Technical Assistance Special Fund (Note K)					(60,000)	(60,000)		
Credit to ordinary reserve for change in SDR value of capital stock (Note K)			605					605
Net income for the year 1993				326	569,450			569,776
BALANCES -								
31 December 1993	\$2,716,047	\$40,001	\$(22,774)	\$4,180,432	\$177,344	\$569,450	\$ -	\$7,660,500

See notes to financial statements (OCR-8)

ASIAN DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES

SUMMARY STATEMENT OF LOANS

31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note A)

Borrowers/Guarantors	Loans Outstanding ¹	Undisbursed Balances of Effective Loans ²	Loans Not Yet Effective	Total Loans	Per Cent of Total Loans
Bangladesh	\$ 722	\$ -	\$ -	\$ 722	n.a. ³
China, People's Republic of	847,774	1,177,064	886,500	2,911,338	11.83
Fiji	50,444	25,401	-	75,845	0.31
India	1,371,892	2,783,961	724,700	4,880,553	19.84
Indonesia	4,150,400	3,405,157	709,000	8,264,557	33.59
Korea, Republic of	475,670	23,053	-	498,723	2.03
Malaysia	405,016	313,643	105,000	823,659	3.35
Myanmar	2,726	-	-	2,726	0.01
Nepal	2,050	-	-	2,050	0.01
Pakistan	1,576,305	847,610	-	2,423,915	9.85
Papua New Guinea	118,913	51,153	11,300	181,366	0.74
Philippines	1,719,832	832,210	422,200	2,974,242	12.09
Thailand	684,370	560,188	284,600	1,529,158	6.21
	<hr/> <u>11,406,114</u>	<hr/> <u>10,019,440</u>	<hr/> <u>3,143,300</u>	<hr/> <u>24,568,854</u>	
Regional	<hr/> <u>11,650</u>	<hr/> <u>23,350</u>	<hr/> <u>-</u>	<hr/> <u>35,000</u>	<hr/> <u>0.14</u>
TOTALS – 31 December 1993	<hr/> <u>11,417,764</u>	<hr/> <u>10,042,790</u>	<hr/> <u>3,143,300</u>	<hr/> <u>24,603,854</u>	<hr/> <u>100.00</u>
Adjustments in US\$ equivalents	<hr/> <u>2,300,090⁴</u>			<hr/> <u>2,300,090⁴</u>	
BALANCES – 31 December 1993	<hr/> <u>13,717,854</u>	<hr/> <u>10,042,790</u>	<hr/> <u>3,143,300</u>	<hr/> <u>26,903,944</u>	
Allowance for possible losses	<hr/> <u>(13,242)</u>			<hr/> <u>(13,242)</u>	
NET BALANCES – 31 DECEMBER 1993	<hr/> <u>\$13,704,612</u>	<hr/> <u>\$10,042,790</u>	<hr/> <u>\$3,143,300</u>	<hr/> <u>\$26,890,702</u>	
TOTALS - 31 December 1992	<hr/> <u>\$10,179,127</u>	<hr/> <u>\$ 8,956,173</u>	<hr/> <u>\$ 2,453,650</u>	<hr/> <u>\$ 21,588,950</u>	
Adjustments in US\$ equivalents	<hr/> <u>1,843,648⁴</u>			<hr/> <u>1,843,648⁴</u>	
BALANCES – 31 December 1992	<hr/> <u>12,022,775</u>	<hr/> <u>8,956,173</u>	<hr/> <u>2,453,650</u>	<hr/> <u>23,432,598</u>	
Allowance for possible losses	<hr/> <u>(342)</u>			<hr/> <u>(342)</u>	
NET BALANCES – 31 DECEMBER 1992	<hr/> <u>\$12,022,433</u>	<hr/> <u>\$ 8,956,173</u>	<hr/> <u>\$2,453,650</u>	<hr/> <u>\$23,432,256</u>	

See notes to financial statements (OCR-8).

1 The interest rates charged on loans outstanding range from 6.33% per annum to 11.00% per annum for loans to governments or with government guarantees and 3.55% per annum to 11.35% per annum for loans to the private sector. Amounts outstanding on loans made under the Pool-Based Variable Interest Rate System totalled \$8,296,593 (\$6,226,032 – 1992). The average yield on loans was 7.70% in 1993 (7.99% – 1992).

2 Of the undisbursed balances, the Bank has made irrevocable commitments to disburse various amounts totalling \$723,063 (\$261,139 – 1992). Certain loans to the private sector are denominated in specific currencies. The undisbursed portions of such loans are translated into United States dollars at the applicable exchange rates as of the end of the reporting period.

Maturity of Effective Loans

Twelve Months Ending 31 December	Amounts	Five Years Ending 31 December	Amounts
1994	\$ 594,626	2003	5,722,497
1995	685,706	2008	5,255,085
1996	810,742	2013	4,460,993
1997	923,278	2018	1,973,614
1998	1,034,950	2020	6,473
		Undetermined	2,292,680 ⁵
		Total	\$23,760,644

Summary of Currencies Receivable on Loans Outstanding

Currency	1993	1992	Currency	1993	1992
Australian dollar	\$ 1,611	\$ 2,506	Malaysian ringgit	42,980	47,360
Austrian schilling	11,725	29,798	Netherlands guilder	49,744	103,881
Belgian franc	1,072	24,663	New Zealand dollar	6,000	5,773
Canadian dollar	-	5	Norwegian krone	-	586
Danish krone	-	12	Pound sterling	-	25
Deutsche mark	441,727	731,735	Singapore dollar	7,943	10,774
French franc	-	26	Swedish krona	-	10
Hong Kong dollar	7,162	7,170	Swiss franc	2,033,109	2,205,431
Italian lira	-	4	Thai baht	39	39
Japanese yen	9,451,086	7,328,626	United States dollar	1,663,656	1,524,351
			Totals	\$13,717,854	\$12,022,775

3 Below 0.01%.

4 These amounts represent adjustments in United States dollar equivalents, arising from changes in the exchange rates used for translation of currencies disbursed and outstanding, and repayable to the Bank in such currencies.

5 Represents net of translation adjustments, prepayments and cancellations which have not been allocated to specific maturities.

ASIAN DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

SUMMARY STATEMENT OF BORROWINGS

31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note A)

Borrowings			
	Principal Outstanding ¹		Weighted Average Cost (%)
	1993	1992	1993
Austrian schilling	\$ 82,352	\$ 88,075	8.08
Canadian dollar	188,822	-	7.88
Deutsche mark	858,537	1,110,145	7.44
Hong Kong dollar	194,137	64,591	7.34
Japanese yen	5,530,698	4,564,200	5.89
Netherlands guilder	373,538	454,495	7.78
Pound sterling	331,048	337,932	11.01
Swiss franc	1,450,206	1,526,655	6.32
United States dollar	3,236,073	2,814,408	8.06
Principal amounts outstanding	<u>12,245,411</u>	<u>10,960,501</u>	<u>6.89²</u>
Unamortized discounts and premiums	<u>(27,387)</u>	<u>(22,667)</u>	
TOTALS	<u>\$12,218,024</u>	<u>\$10,937,834</u>	

MATURITY STRUCTURE OF

Twelve Months Ending 31 December	Amounts
1994	\$ 838,802
1995	648,928
1996	484,987
1997	760,146
1998	996,776

See notes to financial statements (OCR-8).

1 Includes zero coupon borrowings which have been recorded at their discounted values. The aggregate face amounts and discounted values of these borrowings (in US dollar equivalents) are:

Currency	Aggregate Face Amounts		Discounted Values	
	1993	1992	1993	1992
Swiss franc	\$330,964	\$335,852	\$106,653	\$102,822
United States dollar	676,063	676,063	203,286	181,621

2 The weighted average cost of borrowings outstanding at 31 December 1993, after adjustment for swap activities, was 6.21% (6.50% - 1992).

Currency Swap Arrangements

<u>Payable (Receivable)</u>		<u>Weighted Average Cost (Return) %</u>	<u>Net Currency Obligations</u>	
<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1993</u>	<u>1992</u>
\$ (82,580)	\$ (88,340)	(8.08)	\$ (228)	\$ (265)
(186,944)	-	(7.88)	1,878	-
(231,257)	(247,442)	(8.18)	627,280	862,703
(194,137)	(64,591)	(7.34)	-	-
3,237,932	2,447,751	5.88	8,768,630	7,011,951
(226,479)	(253,320)	(8.16)	147,059	201,175
(184,599)	(188,379)	(10.21)	146,449	149,553
865,555	959,725	5.86	2,248,079	2,417,699
(67,682)	(68,681)	(6.35)	-	-
407,191	80,000	5.24	834,955	565,273
(2,808,309)	(2,329,135)	(7.70)	-	-

BORROWINGS OUTSTANDING

<u>Five Years Ending 31 December</u>	<u>Amounts</u>
2003	7,076,313
2008	851,911
2013	480,895
2016	106,653
Total	<u>\$12,245,411</u>

ASIAN DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES

STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER

31 December 1993

Expressed in Thousands of United States Dollars (Note A)

MEMBERS	SUBSCRIBED CAPITAL					VOTING POWER		
	Number of Shares	Per Cent of Total	Par Value of Shares			Number of Votes	Per Cent of Total	
			Total	Callable	Paid-in			
REGIONAL								
Afghanistan, Rep. of	1,195	0.071	\$ 16,414	\$ 11,167	\$ 5,247	9,119	0.434	
Australia	102,370	6.093	1,406,113	1,237,289	168,824	110,294	5.252	
Bangladesh	18,064	1.075	248,120	218,327	29,793	25,988	1.238	
Bhutan	110	0.007	1,511	1,222	288	8,034	0.383	
Cambodia	875	0.052	12,019	8,173	3,846	8,799	0.419	
China, People's Rep. of	114,000	6.786	1,565,858	1,377,804	188,054	121,924	5.806	
Cook Islands	47	0.003	646	577	.69	7,971	0.380	
Fiji	1,203	0.072	16,524	14,532	1,992	9,127	0.435	
Hong Kong	9,635	0.574	132,343	116,450	15,892	17,559	0.836	
India	112,005	6.667	1,538,456	1,353,753	184,703	119,929	5.711	
Indonesia	96,350	5.735	1,323,425	1,164,545	158,880	104,274	4.965	
Japan	276,105	16.435	3,792,468	3,337,133	455,335	284,029	13.525	
Kiribati	71	0.004	975	852	124	7,995	0.381	
Korea, Rep. of	89,123	5.305	1,224,158	1,077,201	146,957	97,047	4.621	
Lao PDR	246	0.015	3,379	2,720	659	8,170	0.389	
Malaysia	48,175	2.868	661,713	582,266	79,447	56,099	2.671	
Maldives	71	0.004	975	852	124	7,995	0.381	
Marshall Islands	47	0.003	646	577	69	7,971	0.380	
Micronesia, Fed. States of	71	0.004	975	852	124	7,995	0.381	
Mongolia	266	0.016	3,654	3,214	440	8,190	0.390	
Myanmar	9,635	0.574	132,343	116,450	15,892	17,559	0.836	
Nauru	71	0.004	975	852	124	7,995	0.381	
Nepal	2,601	0.155	35,726	31,427	4,299	10,525	0.501	
New Zealand	27,170	1.617	373,196	328,391	44,806	35,094	1.671	
Pakistan	38,540	2.294	529,370	465,815	63,555	46,464	2.213	
Papua New Guinea	1,660	0.099	22,801	20,081	2,720	9,584	0.456	
Philippines	42,152	2.509	578,983	509,481	69,502	50,076	2.385	
Singapore	6,020	0.358	82,688	72,757	9,931	13,944	0.664	
Solomon Islands	118	0.007	1,621	1,429	192	8,042	0.383	
Sri Lanka	10,260	0.611	140,927	124,005	16,922	18,184	0.866	
Taipei, China	19,270	1.147	264,685	232,915	31,770	27,194	1.295	
Thailand	24,087	1.434	330,849	291,126	39,723	32,011	1.524	
Tonga	71	0.004	975	852	124	7,995	0.381	
Tuvalu	25	0.001	343	302	41	7,949	0.379	
Vanuatu	118	0.007	1,621	1,429	192	8,042	0.383	
Viet Nam, Soc. Rep. of	6,038	0.359	82,936	65,574	17,362	13,962	0.665	
Western Samoa	58	0.003	797	646	151	7,982	0.380	
Total Regional (Forward)	1,057,923	62.971	\$14,531,207	\$12,773,037	\$1,758,171	1,351,111	64.339	

MEMBERS	SUBSCRIBED CAPITAL					VOTING POWER	
	Number of Shares	Per Cent of Total	Par Value of Shares			Number of Votes	Per Cent of Total
			Total	Callable	Paid-in		
Total Regional (Forward)	1,057,923	62.971	\$14,531,207	\$12,773,037	\$1,758,171	1,351,111	64.339
NON-REGIONAL							
Austria	6.020	0.358	82,688	72,757	9,931	13,944	0.664
Belgium	6.020	0.358	82,688	72,757	9,931	13,944	0.664
Canada	92,543	5.508	1,271,134	1,118,531	152,603	100,467	4.784
Denmark	6.020	0.358	82,688	72,757	9,931	13,944	0.664
Finland	6.020	0.358	82,688	72,757	9,931	13,944	0.664
France	41,178	2.451	565,605	497,696	67,909	49,102	2.338
Germany	76,534	4.556	1,051,240	925,024	126,216	84,458	4.022
Italy	31,975	1.903	439,196	386,465	52,731	39,899	1.900
Netherlands	18,147	1.080	249,260	219,344	29,916	26,071	1.241
Norway	6.020	0.358	82,688	72,757	9,931	13,944	0.664
Spain	6.020	0.358	82,688	72,757	9,931	13,944	0.664
Sweden	6.020	0.358	82,688	72,757	9,931	13,944	0.664
Switzerland	10,325	0.615	141,820	124,788	17,032	18,249	0.869
Turkey	6.020	0.358	82,688	72,757	9,931	13,944	0.664
United Kingdom	36,131	2.151	496,281	436,710	59,571	44,055	2.098
United States	267,113	15.899	3,668,957	3,228,457	440,501	275,037	13.097
Total Non-Regional	622,106	37.029	8,544,999	7,519,073	1,025,926	748,890	35.661
TOTALS	1,680,029	100.000	\$23,076,206	\$20,292,110	\$2,784,096	2,100,001	100.000

See notes to financial statements (OCR-8).

Note: Figures may not add due to rounding.

ASIAN DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 1993 and 31 December 1992

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional Currencies and Reporting Currency

The currencies of members are functional currencies. The reporting currency is the United States dollar, and the financial statements are expressed in thousands of current United States dollars.

Valuation of Capital Stock

The authorized capital stock of the Bank is defined in Article 4, paragraph 1 of the Articles of Agreement Establishing the Asian Development Bank (the Charter) "in terms of United States dollars of the weight and fineness in effect on 31 January 1966" (the 1966 dollar) and the value of each share is defined as 10,000 1966 dollars. The capital stock had historically been translated into the current United States dollar (the Bank's unit of account) on the basis of its par value in terms of gold. From 1973 until 31 March 1978, the rate arrived at on this basis was \$1.20635 per 1966 dollar. Since 1 April 1978, at which time the Second Amendment to the Articles of Agreement of the International Monetary Fund (IMF) came into effect, currencies no longer have par values in terms of gold. Pending the Bank's selection of the appropriate successor to the 1966 dollar, the capital stock has been valued for purposes of these financial statements in terms of the Special Drawing Right (SDR) at the value in current United States dollars as computed by the IMF, with each share valued at SDR 10,000.

As of 31 December 1993, the value of the SDR in terms of the current United States dollar was \$1.37356 (\$1.37500 - 1992) giving a value for each share of the Bank's capital equivalent to \$13,735.60 (\$13,750.00 - 1992). However, the Bank could decide to fix the value of each share at \$12,063.50 based on the 31 March 1978 par value of the United States dollar in terms of gold.

Translation of Currencies

Assets and liabilities are translated from their functional currencies to the reporting currency generally at the applicable rates of exchange at the end of a reporting period. Income and expense amounts are translated for each semi-monthly period generally at the applicable rates of ex-

change at the beginning of each period; such practice approximates the application of average rates in effect during the period. Translation adjustments other than those relating to maintenance of value of currency holdings (see Notes G and K), are charged or credited to "Accumulated translation adjustments". Exchange gains or losses on currency transactions among functional currencies are included in income. Currency swaps made in connection with borrowings are hedged by forward exchange commitments and, accordingly, do not result in any net exchange gain or loss.

Fair Value of Financial Instruments

The Bank discloses the estimated "fair values" of certain financial instruments. Estimated fair values for financial instruments other than investments are not recorded in the accounts of the Bank, but are disclosed in the Notes to Financial Statements as additional information.

The fair value of financial instruments that are short-term approximated their carrying value.

Financial instruments for which market quotations are available have been valued at the prevailing market value at 31 December 1993 and 31 December 1992. Financial instruments for which market quotations are not readily available have been valued using methodologies and assumptions which necessarily require the use of subjective judgments. Accordingly, the actual value at which such financial instruments could be exchanged in a current transaction or whether they are actually exchangeable is not determinable.

Investments

The Bank adopted a new accounting standard for certain investments in debt and equity securities as of 31 December 1993. All investment securities held at that date were considered by management to be available for sale and are reported at estimated fair value, with unrealized gains and losses excluded from earnings and reported in "CAPITAL AND RESERVES". Estimated fair value generally represents market value. Cost or amortized cost is used to approximate fair value for certain short-term investments not traded in the market (time deposits, etc.). Realized gains and losses are included in earnings and are measured by the difference between average cost or amortized cost

CONTINUED

and the net proceeds of sales. Investment securities at 31 December 1992 are reported at cost or amortized cost.

Loans

The Bank's loans have been made to or guaranteed by members or their governments, with the exception of loans to the private sector, and have maturities ranging between 10 and 30 years. The Bank requires its borrowers to absorb exchange risks attributable to fluctuations in the value of the currencies which it has disbursed. The Bank has not suffered any loan losses to date on loans made to or guaranteed by members or their governments and follows a policy of not taking part in debt rescheduling agreements. It is the policy of the Bank to place in non-accrual status all loans in which principal, interest or other charges are overdue by six months. Interest and other charges on non-accruing loans are included in income only to the extent that payments have actually been received by the Bank.

The Bank makes specific provisions for possible losses on loans in which principal or interest is in arrears for one year for loans made to or guaranteed by a member and six months for loans to the private sector based on an evaluation by management of the collectibility of loans outstanding. On the remainder of the private sector portfolio, the Bank makes a general loan loss provision at a rate approved by the Board of Directors. (See Note D.)

Prior to 1 July 1986, the lending rate of the Bank was based on a fixed lending rate system under which loans carried interest rates fixed at the time of loan approval for the entire life of the loans. Effective 1 July 1986, the Bank adopted a pool-based variable lending rate system for those loans approved on or after that date plus certain others at the option of the borrowers.

For loans to the private sector, interest is charged at negotiated rates.

Equity Investments

Equity investments are reported at the lower of cost or estimated net realizable value on an individual investment basis. The Bank makes provisions for possible loss of value quarterly based on management's evaluation of potential losses in the equity investments portfolio.

Property, Furniture and Equipment

Property, furniture and equipment is stated at cost and except for land, is depreciated over estimated useful lives on the straight-line method. Maintenance, repairs and minor betterments are charged to expense.

Construction of a new headquarters building was substantially completed in 1991 at a cost of \$161,234,000 including capitalized interest. Land for the building was acquired at a cost of \$10,052,000. During 1991, the Bank completed its transfer to the new building and, under terms of an agreement with the Republic of the Philippines (Government), the Bank returned the former headquarters premises which had been provided by the Government. In accordance with the agreement as supplemented by a memorandum of understanding, the Bank was compensated \$22,657,000 for the return of premises. The compensation is in lieu of being provided premises under the agreement and accordingly, is deferred and amortized over the estimated life of the new headquarters building as a reduction of occupancy expense. The amortization for the year ended 31 December 1993 amounted to \$566,000 (\$608,000 - 1992) reducing depreciation expense for the new headquarters building from \$4,295,000 (\$4,301,000 - 1992) to \$3,729,000 (\$3,693,000 - 1992). At 31 December 1993, the unamortized deferred compensation balance (included in "ACCOUNTS PAYABLE AND OTHER LIABILITIES - Miscellaneous") was \$21,005,000 (\$21,571,000 - 1992).

The main building contractor of the Bank's new headquarters building has taken steps towards the commencement of arbitration proceedings in connection with the construction of such building in respect of claims for additional payment of approximately \$100,000,000 against the Bank. Certain legal issues which have a bearing on part of such claims were the subject of an arbitration which was concluded in November 1992. On the basis of present information, and in the light of the 1992 arbitration proceedings, the Bank is of the view that such claims are substantially without merit.

Statement of Cash Flows

For the purposes of the statement of cash flows, the Bank considers that its cash and cash equivalents are limited to "DUE FROM BANKS".

ASIAN DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 1993 and 31 December 1992

NOTE B - RESTRICTIONS ON USE OF CURRENCIES AND DEMAND OBLIGATIONS OF MEMBERS

In accordance with Article 24, paragraph 2(i) of the Charter, the use by the Bank or by any recipient from the Bank of certain currencies may be restricted by members to payments for goods or services produced and intended for use in their territories. With respect to the currencies of 33 developing member countries, cash in banks (due from banks) and demand obligations totalling \$74,866,000 (\$88,082,000 – 1992) and \$234,500,000 (\$240,267,000 – 1992), respectively, may be, but are not currently so restricted.

In accordance with Article 24, paragraphs 2(i) and (ii) of the Charter, two members have restricted the use by the Bank or by any recipient from the Bank of their currencies to payments for goods or services produced in their territories. Cash in banks (due from banks), demand obligations and investments totalling \$17,000 (\$16,000 – 1992), \$974,000 (\$972,000 – 1992) and \$2,437,000 (\$2,140,000 -1992), respectively, have been so restricted.

NOTE C - INVESTMENTS

The currency composition of the investment portfolio was as follows:

Currency	1993	1992
	Estimated Fair Value	Amortized Cost
Australian dollar	\$ 359,501,000	\$ 334,073,000
Canadian dollar	546,542,000	581,604,000
Deutsche mark	505,800,000	419,641,000
Italian lira	309,549,000	280,400,000
Japanese yen	800,330,000	973,566,000
Pound sterling	271,866,000	263,556,000
Swiss franc	606,775,000	538,650,000
United States dollar	1,572,056,000	1,260,016,000
Others	668,456,000	582,417,000
Totals	\$5,640,875,000	\$5,233,923,000

The amortized cost and estimated fair value of the investments by contractual maturity at 31 December 1993 were as follows:

	Amortized Cost	Estimated Fair Value
Due in one year or less	\$3,267,739,000	\$3,272,522,000
Due after one year through five years	1,517,212,000	1,537,129,000
Due after five years through ten years	815,923,000	831,224,000
Totals	\$5,600,874,000	\$5,640,875,000

During the year ended 31 December 1993, the net unrealized holding gains on investments in government and government guaranteed obligations increased by \$14,681,000. As of 31 December 1993, the amortized cost, gross unrealized gains, gross unrealized losses and estimated fair value of these investments were \$4,399,267,000, \$42,368,000, \$2,367,000 and \$4,439,268,000 (\$4,218,256,000, \$31,062,000, \$5,742,000 and \$4,243,576,000 – 1992), respectively.

Proceeds from sales of investments in government and government guaranteed obligations during the year ended 31 December 1993 were \$16,643,887,000 (\$12,398,505,000 – 1992). Gross gains and gross losses of \$105,529,000 and \$24,256,000 (\$36,246,000 and \$16,672,000 – 1992), respectively, were realized on such sales.

The annualized rate of return on the average investments held during the year, based on the portfolio held at the beginning and end of each month, excluding unrealized gains and losses, was 7.03% (7.77% – 1992).

NOTE D - LOANS

Loans outstanding to or guaranteed by members or their governments with interest rates which vary based on the pool-based variable lending rate system were fair valued using an entry value method. Under this method, fair value was determined based on the terms at which a similar loan would currently be made by the Bank to a similar borrower. For such loans, fair value approximated the carrying value. For undisbursed balances of effective loans and for loans not yet effective, the contractual amount approximated fair value.

CONTINUED

Loans outstanding to or guaranteed by members or their governments with fixed interest rates (principally loans made prior to 1 July 1986) have been fair valued using a discounted cash flow method. This method takes into account the scheduled cash flows over the average life, by currency, of the loans, current funding costs for the average life including a factor for administrative costs. The effect of possible prepayments was not considered material and was not included in the calculation.

The estimated fair value of loans to or guaranteed by members or their governments was not affected by credit risks based on the Bank's experience with its borrowers.

Loans outstanding to the private sector were not considered to be material to the loan portfolio and have been fair valued at carrying value.

A summary of the carrying value and estimated fair value of loans outstanding at 31 December 1993 and 31 December 1992 were as follows:

	1993	
	Carrying Value	Estimated Fair Value
Loans to the public sector with interest at variable rates	\$ 8,130,743,000	\$ 8,130,743,000
Loans to the public sector with interest at fixed rates	5,268,837,000	6,712,178,000
Loans to the private sector	305,032,000	305,032,000
Totals	\$13,704,612,000	\$15,147,953,000

	1992	
	Carrying Value	Estimated Fair Value
Loans to the public sector with interest at variable rates	\$ 6,129,287,000	\$ 6,129,287,000
Loans to the public sector with interest at fixed rates	5,657,102,000	6,651,935,000
Loans to the private sector	236,044,000	236,044,000
Totals	\$12,022,433,000	\$13,017,266,000

To date, no loan loss provisions have been made against loans outstanding guaranteed by members or their governments, but specific and general provisions totalling \$12,900,000 (\$342,000 - 1992) have been made against private sector loans during the year.

NOTE E - BORROWINGS AND SWAPS

The Bank enters into currency liability swap transactions in which proceeds of borrowings are converted into a different currency and simultaneously a forward exchange contract is executed providing for a schedule of future exchanges of the two currencies, thereby protecting the Bank against any currency risk. It also undertakes interest rate swaps, which transform a fixed-rate payment obligation in a particular currency into a floating-rate payment obligation in that currency and vice-versa.

At 31 December 1993, the Bank had outstanding currency swap receivables aggregating \$3,981,987,000 (\$3,239,889,000 - 1992) and payables aggregating \$4,510,678,000 (\$3,487,476,000 - 1992). Notional amount of interest rate swaps outstanding totalled \$497,001,000 (\$459,363,000 - 1992).

In connection with its swap agreements the Bank has a potential risk of loss if the counterparty to such transactions fails to perform its obligations. For swaps on which a potential loss exists at 31 December 1993, the amount of such potential loss, representing the estimated net cost of replacing the swaps at current market rates, aggregated \$38,393,000 and \$19,631,000 for currency swaps and interest rate swaps, respectively.

The Bank has definite policies governing the use of swaps and the counterparties with whom it may have such agreements. The Bank does not anticipate that any of its counterparties will fail to perform their obligations under such agreements.

The fair value of borrowings outstanding at 31 December 1993 and 31 December 1992 was estimated using prevailing market prices where available, or estimated replacement values where market prices are not available.

Outstanding currency and interest rate swap agreements were fair valued at the estimated amount that the Bank would receive or pay to terminate the agreements based upon market quotes from dealers.

ASIAN DEVELOPMENT BANK - ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 1993 and 31 December 1992

As of 31 December 1993 and 31 December 1992, the carrying amounts and estimated fair values of borrowings and swaps were as follows:

	1993	
	Carrying Amount	Estimated Fair Value
Balance sheet financial instruments:		
Borrowings	\$ 12,218,024,000	\$ 13,579,709,000
Currency swap receivables	3,981,987,000	4,372,385,000
Currency swap payables	4,510,678,000	5,144,804,000

	Notional Amount	Unrealized Gain (Loss)
Off balance sheet financial instruments:		
Interest rate swaps	\$ 497,001,000	\$ (12,011,000)

	1992	
	Carrying Amount	Estimated Fair Value
Balance sheet financial instruments:		
Borrowings	\$ 10,937,834,000	\$ 11,408,144,000
Currency swap receivables	3,239,889,000	3,381,487,000
Currency swap payables	3,487,476,000	3,563,579,000

	Notional Amount	Unrealized Gain (Loss)
Off balance sheet financial instruments:		
Interest rate swaps	\$ 459,363,000	\$ 10,598,000

NOTE F - CAPITAL STOCK

The authorized capital stock of the Bank consists of 1,689,021 shares, (1,688,996 - 1992) of which 1,680,029 shares (1,680,004 - 1992) have been subscribed by members. Of the subscribed shares, 1,477,337

(1,477,315 - 1992) are "callable" and 202,692 (202,689 - 1992) are "paid-in". The "callable" share capital is subject to call by the Bank only as and when required to meet the Bank's obligations incurred on borrowings of funds for inclusion in its ordinary capital resources or on guarantees chargeable to such resources. The "paid-in" share capital is payable or has been paid in instalments, partly in convertible currencies and partly in the currency of the subscribing member. In accordance with Article 6, paragraph 3 of the Charter, the Bank accepts non-negotiable, non-interest-bearing demand obligations in satisfaction of the portion payable in the currency of the member, provided such currency is not required by the Bank for the conduct of its operations. The settlement of such amounts is not determinable and, accordingly, the Bank does not believe that it is practicable to fair value these receivables.

As of 31 December 1993, all matured instalments amounting to \$2,781,442,000 (\$2,781,673,000 - 1992) were received except \$348,000 (\$365,000 - 1992). Instalments not due aggregating \$2,654,000 (\$5,301,000 - 1992) are receivable as follows:

	31 December	
	1993	1992
1993	\$ -	\$ 2,675,000
1994	2,634,000	2,626,000
1995	10,000	-
1996	10,000	-

NOTE G - MAINTENANCE OF VALUE OF CURRENCY HOLDINGS

Prior to 1 April 1978, the effective date of the Second Amendment to the IMF Articles, the Bank implemented maintenance of value in respect of holdings of member currencies in terms of 1966 dollars, in accordance with the provisions of Article 25 of the Charter and relevant resolutions of the Board of Directors. The "Amounts required to maintain value of currency holdings" under "RECEIVABLE FROM MEMBERS" represent the aggregate amounts receivable resulting from changes in exchange rates of member currencies from those previously used for the purpose of computing maintenance of value of the Bank's holdings of certain member currencies. The settlement of such amounts is not determinable and, accord-

CONTINUED

ingly, the Bank does not believe that it is practicable to fair value these receivables.

Since 1 April 1978, inasmuch as the valuation of the Bank's capital stock and the basis of determining possible maintenance of value obligations are still under consideration, notional amounts have been calculated provisionally as receivable from or payable to members in order to maintain the value of currency holdings in terms of the SDR. The timing of any establishment and settlement of such amounts is uncertain and, accordingly, the Bank does not believe that it is practicable to fair value such receivables and payables. The notional amounts as of 31 December 1993 consisting of receivables of \$541,006,000 (\$497,174,000 - 1992) and payables of \$286,336,000 (\$223,950,000 - 1992) consist of (a) the increase of \$325,520,000 (\$327,499,000 - 1992) in amounts required to maintain the value of currency holdings to the extent of matured and paid capital subscriptions due to the increase in the value of the SDR in relation to the United States dollar during the period from 1 April 1978 to 31 December 1993 and (b) the net increase of \$70,850,000 (\$54,275,000 - 1992) in the value of such currency holdings in relation to the United States dollar during the same period.

NOTE H - INCOME AND EXPENSES

Total interest expense incurred for the year ended 31 December 1993 amounted to \$800,384,000 (\$695,498,000 - 1992).

Other financial expenses consist of amortization of borrowings issuance costs and other expenses of \$16,960,000 (\$16,145,000 - 1992) and charges which represent the difference between reacquisition price and net carrying amount of borrowings extinguished prior to maturity of \$14,429,000 (\$17,401,000 - 1992).

Administrative expenses (other than those appertaining directly to ordinary operations and special operations) for the year ended 31 December 1993 have been apportioned between ordinary capital resources and the Asian Development Fund according to the number of loans and equity investments approved for the year. Of the total administrative expenses of \$163,513,000 (\$145,963,000 - 1992), \$74,647,000 (\$64,913,000 - 1992) has accordingly been charged to the Asian Development Fund.

NOTE I - SPECIAL RESERVE

The Special Reserve represents commissions on loans and guarantee fees on guarantees set aside pursuant to Article 17 of the Charter. Special Reserve assets consist principally of government and government guaranteed obligations and are included under the heading "INVESTMENTS". For the year ended 31 December 1993 guarantee fees amounting to \$326,000 (\$246,000 - 1992) were appropriated to Special Reserve. The commission charged on loans was discontinued after 1985.

NOTE J - CAPITAL TRANSFERRED TO ASIAN DEVELOPMENT FUND

Pursuant to the provisions of Article 19, paragraph 1(i) of the Charter, the Board of Governors has authorized the setting aside of 10% of the unimpaired "paid-in" capital paid by members pursuant to Article 6, paragraph 2(a) of the Charter and of the convertible currency portion paid by members pursuant to Article 6, paragraph 2(b) of the Charter as of 28 April 1973 to be used as a part of the Special Funds of the Bank. The resources so set aside, amounting to \$65,395,000 as of 31 December 1993 (\$65,463,000 - 1992) expressed in terms of the SDR on the basis of \$1.37356 (\$1.37500 - 1992) per SDR (\$57,434,000 in terms of \$1.20635 per 1966 dollar - see Note A), were allocated and transferred to the Asian Development Fund.

NOTE K - ORDINARY RESERVE AND NET INCOME

Under the provisions of Article 40 of the Charter, the Board of Governors shall determine annually what part of the net income shall be allocated, after making provision for reserves, to surplus and what part, if any, shall be distributed to the members. During 1993 and 1992, net income after appropriation of guarantee fees to Special Reserve for the years ended 31 December 1992 and 31 December 1991, respectively, were allocated to the Ordinary Reserve, except for \$60,000,000 in 1993 (\$50,000,000 - 1992), which was allocated to the Technical Assistance Special Fund.

The restatement of the capital stock for purposes of these financial statements on the basis of the SDR instead of the 1966 dollar (see Note A) resulted in a net credit of \$605,000 to the Ordinary Reserve during the year ended

ASIAN DEVELOPMENT BANK – ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 1993 and 31 December 1992

31 December 1993 (\$18,625,000 - 1992). That credit is the decrease in the value of the matured and paid capital subscriptions caused by the change during the period in the value of the SDR in relation to the United States dollar not allocated to members as notional maintenance of value adjustments in accordance with resolutions of the Board of Directors.

NOTE L – STAFF RETIREMENT PLAN

The Bank has a contributory defined benefit Staff Retirement Plan (the Plan). Every employee, as defined under the Plan, shall, as a condition of service, become a participant as of the first day of service, provided that as of such a date, the employee shall not have reached the normal retirement date. The Plan applies also to members of the Board of Directors who elect to join the Plan. The Plan assets are segregated and held in trust and are not included in the accompanying balance sheet. The costs of administering the Plan are absorbed by the Bank, except fees paid to the investment managers and related charges, including custodian fees, which are borne by the Plan.

Participants are required to contribute 9 1/3% of their remuneration to the Plan and may also make voluntary contributions. The Bank has contributed amounts equal to 18 2/3% of the participants' remuneration. The Bank's contribution is determined at a rate sufficient to cover that part of the costs of the Plan not covered by the participants' contributions. For the year ended 31 December 1993, the amount contributed by the Bank was \$11,955,000 (\$11,151,000 - 1992).

Net periodic pension cost for the years ended 31 December 1993 and 31 December 1992 consisted of the following components:

	1993	1992
Service costs-benefits earned for the year	\$ 14,312,000	\$ 13,397,000
Interest cost on projected benefit obligation	23,170,000	21,219,000
Return on Plan assets	(68,280,000)	(8,397,000)
Net amortization and deferral	46,402,000	(12,041,000)
Net periodic pension cost	<u>\$ 15,604,000</u>	<u>\$ 14,178,000</u>

The following table sets forth the Plan's funded status at 31 December 1993 and 31 December 1992:

	1993	1992
Actuarial present value of pension benefit obligations: Accumulated benefit obligation, including vested benefits of \$285,824,000 (\$218,128,000 - 1992)	<u>\$288,789,000</u>	<u>\$220,361,000</u>
Projected benefit obligation	\$317,735,000	\$286,038,000
Fair value of Plan assets, principally marketable securities	351,710,000	277,548,000
Plan assets over (under) projected benefit obligation	33,975,000	(8,490,000)
Unrecognized net asset at transition net of amortization	(11,057,000)	(12,162,000)
Unrecognized prior service cost	7,690,000	8,513,000
Unrecognized net (gain) loss	(38,441,000)	7,955,000
Accrued pension cost	\$ (7,833,000)	\$ (4,184,000)

The discount rate used in determining the actuarial present value of the projected benefit obligation was 7% (8% - 1992). The effect of projected compensation levels was calculated based on a scale that provides for a decreasing rate of salary increase depending on age; beginning with 13% at age 21 and decreasing to 4.50% at age 59. The expected long-term rate of return on assets was 7%.

NOTE M – POSTRETIREMENT MEDICAL BENEFITS PLAN

Effective 1 January 1993, the Bank adopted a cost-sharing plan for retiree medical insurance premiums. Under the plan, the Bank is obligated to pay 80% of the Group Medical Insurance Plan premiums for retirees, including employees and members of the Board of Directors who elect to participate. The cost-sharing plan is currently unfunded. For the year ended 31 December 1993, the amount paid by the Bank for the retirees' premiums was \$403,000.

Generally accepted accounting standards require an actuarially determined assessment of the periodic cost of postretirement medical benefits. Net periodic post-retirement medical benefit cost for the year ended 31 December 1993 consisted of the following components:

Service cost - benefits earned for the year	\$ 3,210,000
Interest cost on accumulated postretirement medical benefit obligation	2,351,000
Amortization of prior service cost	<u>2,409,000</u>
Net periodic postretirement benefit cost	<u>\$ 7,970,000</u>

The following table sets forth the plan's funded status at 31 December 1993:

Accumulated postretirement medical benefit obligation:	
Retirees	\$ 6,779,000
In-service participants	<u>28,137,000</u>
Total	<u>34,916,000</u>
Fair value of plan assets	<u>—</u>
Accumulated obligation in excess of plan assets	(34,916,000)
Unrecognized prior service cost, less amortization	26,978,000
Unrecognized net (gain) loss	<u>371,000</u>
Accrued postretirement benefit cost	<u>\$ (7,567,000)</u>

The accumulated postretirement medical benefit obligation was determined using medical cost trend rate of 7%. Increasing the medical cost trend rate by 1% would increase the accumulated postretirement medical benefit obligation as of 31 December 1993 by \$1,630,000 and the net periodic postretirement benefit cost by \$216,000 for the year then ended. The weighted average discount rate used in determining the accumulated postretirement medical benefit obligation was 7%.

NOTE N - GUARANTEES

The Bank extends guarantees for the benefit of its members which are not reflected in the financial statements. As of 31 December 1993, guarantees outstanding amounted to \$132,306,000 (\$109,463,000 - 1992). None of this amount was subject to call as of that date.

The Bank estimates that the fair value of guarantees outstanding at 31 December 1993 is nil (nil - 1992) as no guarantees are expected to be called.

NOTE O - LIMITATIONS ON LOANS, GUARANTEES AND EQUITY INVESTMENTS

Article 12, paragraph 1 of the Charter provides that the total amount outstanding of loans, equity investments and guarantees made by the Bank shall not exceed the total of the Bank's unimpaired subscribed capital, reserves and surplus, exclusive of the special reserve. At 31 December 1993, the total of such loans, equity investments and guarantees aggregated approximately 97.8% (86.8% - 1992) of the total subscribed capital, reserves and surplus as defined.

Article 12, paragraph 3 of the Charter provides that equity investments shall not exceed 10% of the unimpaired actually paid-in capital together with reserves and surplus, exclusive of the special reserve. At 31 December 1993, such equity investments represented approximately 1.8% (2.1% - 1992) of the paid-in capital, reserves and surplus, as defined.

NOTE P - PRIVATE SECTOR

The Bank's equity investments are made in private enterprises located in developing member countries and include the Bank's investment of \$35,266,000 (\$35,224,000 - 1992) in Asian Finance and Investment Corporation Ltd. (AFIC).

Undisbursed equity investment commitments were \$32,200,000 (\$26,592,000 - 1992). Equity investments were not considered to be material and were not fair valued. Provisions for possible losses totalling \$6,635,000 (\$251,000 - 1992) have been made against the equity investments portfolio during the year.

Private sector undisbursed loan commitments were \$332,806,000 (\$220,652,000 - 1992). A committed loan to AFIC of \$35,000,000, of which \$11,650,000 (\$75,000 - 1992) is outstanding at 31 December 1993, is included in private sector loans.

Four loans (two - 1992) to the private sector were placed in non-accrual status as of 31 December 1993. The principal outstanding at that date was \$38,177,000 (\$6,161,000 - 1992) of which \$361,000 (\$172,000 - 1992) was overdue. Overdue interest and other charges on these loans totalled \$4,678,000 (\$660,000 - 1992). Placing these loans in a non-accrual status resulted in a reduction in income from loans for the year ended 31 December 1993 of \$5,214,000 (\$979,000 - 1992).



INDEPENDENT AUDITORS' REPORT

Asian Development Bank:

We have audited the following financial statements of the Asian Development Bank – Asian Development Fund (ADF):

- ADF-1 Balance Sheet, 31 December 1993 and 31 December 1992
- ADF-2 Statement of Operations and Accumulated Surplus for the Years Ended 31 December 1993 and 31 December 1992
- ADF-3 Statement of Cash Flows for the Years Ended 31 December 1993 and 31 December 1992
- ADF-4 Summary Statement of Loans, 31 December 1993 and 31 December 1992
- ADF-5 Statement of Resources, 31 December 1993
- ADF-6 Notes to Financial Statements, 31 December 1993 and 31 December 1992

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Asian Development Bank – Asian Development Fund at 31 December 1993 and 31 December 1992 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note B to the financial statements, the Bank changed its method of accounting for certain investments in debt and equity securities as of 31 December 1993.

23 February 1994

ASIAN DEVELOPMENT BANK - ASIAN DEVELOPMENT FUND

BALANCE SHEET

31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

ASSETS	1993	1992
DUE FROM BANKS	\$ 10,154	\$ 53,564
INVESTMENTS - 1993 amounts at fair value, 1992 amounts at cost or amortized cost (Notes B and C)		
Government and government guaranteed obligations	\$ 438,943	\$ 431,482
Time deposits and other obligations of banks	286,495	725,438
LOANS OUTSTANDING (ADF-4) (Notes D and H)	9,375,856	8,183,166
Less - allowance for possible losses	649	9,375,207
ACCRUED REVENUE		
On investments	5,309	5,355
On loans	24,719	30,028
NOTES OF CONTRIBUTORs (Note E)		
Non-negotiable, non-interest-bearing notes	6,615,023	6,028,533
RECEIVABLE FROM CONTRIBUTORs (ADF-5)	32,634	120,212
OTHER ASSETS	14,694	15,530
TOTALS	\$16,803,178	\$15,365,166
LIABILITIES, UNEXPENDED BALANCES AND CAPITAL		
ADMINISTRATION CHARGE PAYABLE TO ORDINARY CAPITAL RESOURCES (Note F)	\$ 31,729	\$ 24,557
ACCOUNTS PAYABLE TO TECHNICAL ASSISTANCE SPECIAL FUND AND OTHER LIABILITIES (Note A)	71,498	77,091
UNEXPENDED BALANCES AND CAPITAL		
Amounts available for loan commitments (ADF-5)		
Contributed Resources	\$15,025,598	\$14,421,542
Set-aside Resources (Note G)	65,395	65,463
Transfers from Technical Assistance Special Fund	1,168	1,235
	15,092,161	14,488,240
Advance payments on contributions (ADF-5)	751,479	-
Unrealized investment holding gains (Notes B and C)	4,318	-
Accumulated translation adjustments (Note B)	43,423	39,803
Accumulated surplus (ADF-2)	808,570	16,699,951
	735,475	15,263,518
TOTALS	\$16,803,178	\$15,365,166

See notes to financial statements (ADF-6).

ASIAN DEVELOPMENT BANK - ASIAN DEVELOPMENT FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

	1993	1992
REVENUE		
From investments (Note C)	\$ 51,919	\$ 89,531
From loans	95,820	80,838
From other sources - net	<u>663</u>	<u>726</u>
TOTAL REVENUE	148,402	171,095
EXPENSES		
Administrative expenses (Note F)	\$ 74,658	\$ 64,931
Provision for losses (Note D)	<u>649</u>	<u>75,307</u>
EXCESS OF REVENUE OVER EXPENSES - NET INCOME	73,095	106,164
TRANSFER FROM OTHER RESOURCES	-	(400)
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	735,475	629,711
ACCUMULATED SURPLUS AT END OF THE YEAR	\$808,570	\$735,475

See notes to financial statements (ADF-6).

ASIAN DEVELOPMENT BANK - ASIAN DEVELOPMENT FUND

STATEMENT OF CASH FLOWS

For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES		
Service charges on loans received	\$ 80,460	\$ 66,604
Interest on investments received	52,367	90,815
Cash received from other activities	663	726
Administrative expenses paid	<u>(67,486)</u>	<u>(54,460)</u>
Net Cash Provided by Operating Activities	<u>66,004</u>	<u>103,685</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash invested in time deposits and other obligations of banks	201,578	157,515
Sales and maturities of investment securities	8,824,431	6,166,104
Purchases of investment securities	<u>(8,810,676)</u>	<u>(6,172,376)</u>
Principal collected on loans	98,618	84,129
Loans disbursed	<u>(912,637)</u>	<u>(874,580)</u>
Net Cash Used for Investing Activities	<u>(598,686)</u>	<u>(639,208)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Demand obligations of contributors encashed	483,788	566,318
Contributions received ¹	921	979
Cash received from Ordinary Capital Resources and others	5,567	149
Resources transferred from Technical Assistance Special Fund	<u>—</u>	<u>856</u>
Net Cash Provided by Financing Activities	<u>490,276</u>	<u>568,302</u>
Effect of Exchange Rate Changes on Due from Banks	<u>(1,004)</u>	<u>(1,408)</u>
Net Increase (Decrease) in Due from Banks	<u>(43,410)</u>	<u>31,371</u>
Due from Banks at Beginning of the Year	<u>53,564</u>	<u>22,193</u>
Due from Banks at End of the Year	<u>\$ 10,154</u>	<u>\$ 53,564</u>
RECONCILIATION OF EXCESS OF REVENUE OVER EXPENSES - NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Excess of revenue over expenses - net income	\$ 73,095	\$ 106,164
Adjustments to reconcile excess of revenue over expenses - net income to net cash provided by operating activities:		
Accrued revenue on investments and loans	(937)	(256)
Accrued administration charge	7,172	10,471
Charges capitalized on loans	<u>(14,693)</u>	<u>(12,116)</u>
Other - net	<u>1,367</u>	<u>(578)</u>
Net Cash Provided by Operating Activities	<u>\$ 66,004</u>	<u>\$ 103,685</u>

See notes to financial statements (ADF-6).

1 In addition, non-negotiable, non-interest-bearing demand promissory notes amounting to \$951,387 (\$1,036,825 - 1992) were received.

ASIAN DEVELOPMENT BANK - ASIAN DEVELOPMENT FUND

SUMMARY STATEMENT OF LOANS

31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

Borrowers/Guarantors ¹	Loans Outstanding ²	Undisbursed Balances of Effective Loans ³	Loans Not Yet Effective ³	Total Loans	Per Cent of Total Loans
Afghanistan	\$ 19,723	\$ 1,166	\$ -	\$ 20,889	0.15
Bangladesh	2,437,177	1,168,880	323,467	3,929,524	28.13
Bhutan	24,969	11,057	5,035	41,061	0.29
Cambodia	5,365	59,160	-	64,525	0.46
Cook Islands	10,834	1,455	-	12,289	0.09
Indonesia	471,412	188,378	7,986	667,776	4.78
Kiribati	3,304	424	-	3,728	0.03
Lao PDR	190,231	155,468	38,164	383,863	2.75
Malaysia	347	-	-	347	n.a. ⁴
Maldives	18,786	16,355	-	35,141	0.25
Marshall Islands	1,138	6,520	8,592	16,250	0.12
Micronesia	-	-	6,343	6,343	0.04
Mongolia	37,276	27,417	38,321	103,014	0.74
Myanmar	365,471	44,850	-	410,321	2.94
Nepal	587,272	346,214	11,682	945,168	6.77
Pakistan	1,947,044	1,955,497	296,638	4,199,179	30.06
Papua New Guinea	204,193	79,215	25,616	309,024	2.21
Philippines	560,635	302,787	24,753	888,175	6.36
Solomon Islands	34,507	655	-	35,162	0.25
Sri Lanka	889,645	534,378	12,579	1,436,602	10.28
Thailand	55,418	-	-	55,418	0.40
Tonga	14,273	11,469	2,507	28,249	0.20
Vanuatu	14,485	5,440	-	19,925	0.14
Viet Nam	13,161	-	266,687	279,848	2.00
Western Samoa	65,842	10,138	2,001	77,981	0.56
TOTALS - 31 December 1993	7,972,508	4,926,923	1,070,371	13,969,802	100.00
Adjustments in US\$ equivalents	1,403,348⁵			1,403,348⁵	
BALANCES - 31 December 1993	9,375,856	4,926,923	1,070,371	15,373,150	
Allowance for possible losses	(649)			(649)	
NET BALANCES - 31 DECEMBER 1993	\$9,375,207	\$4,926,923	\$1,070,371	\$15,372,501	
TOTALS - 31 December 1992	\$ 7,122,319	\$ 4,739,358	\$ 1,139,682	\$ 13,001,359	
Adjustments in US\$ equivalents	1,060,847⁵			1,060,847⁵	
BALANCES - 31 December 1992	\$ 8,183,166	\$ 4,739,358	\$ 1,139,682	\$ 14,062,206	
Allowance for possible losses	-			-	
NET BALANCES - 31 DECEMBER 1992	\$8,183,166	\$4,739,358	\$1,139,682	\$14,062,206	

See notes to financial statements (ADF-6).

- 1 Loans other than those made directly to a member or to its central bank have been guaranteed by the member with the exception of loans to the private sector amounting to \$16,487 (\$15,701 - 1992).
- 2 For all Special Funds Loans approved prior to 21 March 1974, the Bank charges interest (including a service fee of 3/4 of 1%) on amounts disbursed and outstanding ranging from 1% per annum to 3% per annum. For loans approved after 21 March 1974, the Bank levies a service charge on amounts disbursed and outstanding at the rate of 1% per annum.

MATURITY OF EFFECTIVE LOANS

Twelve Months Ending 31 December	Amounts	Five Years Ending 31 December	Amounts
1994	\$ 86,634	2003	1,332,120
1995	102,249	2008	1,903,064
1996	120,782	2013	2,500,755
1997	137,590	2018	2,691,539
1998	161,458	2023	2,374,405
		2028	1,217,334
		2033	271,501
		Undetermined	1,403,348 ⁶
		Total	\$14,302,779

SUMMARY OF CURRENCIES RECEIVABLE ON LOANS OUTSTANDING

Currency	1993	1992	Currency	1993	1992
Australian dollar	\$290,633	\$258,950	Japanese yen	5,373,857	4,528,815
Austrian schilling	65,211	65,189	Netherlands guilder	234,364	135,777
Belgian franc	59,492	59,665	New Zealand dollar	18,852	13,403
Canadian dollar	505,878	456,661	Norwegian krone	45,664	32,926
Danish krone	54,742	45,035	Pound sterling	254,257	218,873
Deutsche mark	560,903	568,013	Spanish peseta	30,355	28,905
Finnish markka	34,499	31,473	Swedish krona	47,931	45,595
French franc	247,186	238,311	Swiss franc	102,618	96,132
Italian lira	144,657	142,247	United States dollar	1,304,757	1,217,196
			Totals	\$9,375,856	\$8,183,166

- 3 Loans negotiated before 1 January 1983 were denominated in current United States dollars. Loans negotiated after that date are denominated in Special Drawing Rights (SDR) for the purpose of commitment. The undisbursed portions of such SDR loans are translated into United States dollars at the applicable exchange rates as of the end of a reporting period. Of the undisbursed balances, the Bank has entered into irrevocable commitments to disburse various amounts totalling \$38,113 (\$69,845 - 1992).
- 4 Less than 0.01%.
- 5 These amounts represent adjustments in United States dollar equivalents, arising from changes in the exchange rates used for translation of currencies disbursed and outstanding, and repayable to the Bank in such currencies.
- 6 Represents translation adjustments which have not been allocated to specific maturities.

ASIAN DEVELOPMENT BANK - ASIAN DEVELOPMENT FUND

STATEMENT OF RESOURCES

31 December 1993

Expressed in Thousands of United States Dollars (Note B)

			Cumulative Amounts Committed		Amounts Not Yet Available for Loan	Amounts Available for Loan	Amounts Received	Amounts Receivable
	Amounts Committed During 1993	At Exchange Rates Per Resolutions	At Exchange Rates	31 Dec. 1993	Commitments	Commitments		
CONTRIBUTED RESOURCES								
Australia	\$ -	\$ 964,302	\$ 749,467	\$ 177,740	\$ 571,727	\$ 571,727	\$ -	\$ -
Austria	-	121,216	145,228	24,300	120,928	120,928	"	"
Belgium	25,765	119,116	126,862	19,990	106,872	106,872	"	"
Canada	-	1,154,360	1,061,372	200,737	860,635	860,635	"	"
Denmark	-	130,199	133,187	27,335	105,852	105,852	"	"
Finland	6,685	82,734	65,234	5,186	60,048	60,048	"	"
France	-	691,755	691,329	143,362	547,967	547,967	"	"
Germany	-	955,427	1,146,885	200,655	946,230	932,853	13,377	"
Hong Kong	-	4,880	4,880	2,250	2,630	2,630	"	"
Indonesia	-	4,960	4,960	-	4,960	4,960	"	"
Italy	-	419,850	303,456	-	303,456	303,456	"	"
Japan	-	5,422,521	9,681,977	1,418,716	8,263,261	8,263,261	"	"
Korea, Republic of	-	22,900	22,900	11,250	11,650	11,650	"	"
Nauru	-	1,933	1,933	1,500	433	433	"	"
Netherlands	90,738	347,887	411,395	70,400	340,995	340,995	"	"
New Zealand	-	47,923	37,039	7,956	29,083	29,083	"	"
Norway	-	114,158	93,188	22,522	70,666	70,666	"	"
Spain	22,366	90,013	81,318	17,353	63,965	63,965	"	"
Sweden	-	210,254	148,563	43,006	105,557	102,690	2,867	"
Switzerland	-	179,200	219,032	36,286	182,746	182,746	"	"
Taipei, China	-	16,500	16,500	11,250	5,250	5,250	"	"
Turkey	-	39,200	39,200	-	39,200	29,200	10,000	"
United Kingdom	123,551	622,877	509,752	95,859	413,893	407,503	6,390	"
United States	-	1,867,594	1,867,594	-	1,867,594	1,867,594	"	"
Totals	269,105	13,631,759	17,563,251	2,537,653	15,025,598	14,992,964¹	32,634	
SET-ASIDE RESOURCES (NOTE G)								
TRANSFERS FROM TECHNICAL ASSISTANCE SPECIAL FUND ²	-	-	65,395	-	65,395	65,395	"	"
TOTALS	\$269,105	\$13,631,759	\$17,629,814	\$2,537,653	\$15,092,161	\$15,059,527	\$32,634	

See notes to financial statements (ADF-6).

1 Excludes \$676,456 equivalent representing advance payments towards the second and third instalments of contributions to the Fifth ADF Replenishment (ADF VI) but not yet available for loan commitments as of 31 December 1993 because Instruments of Contribution totalling at least \$3,360,000 equivalent had not been deposited with the Bank as of this date, pursuant to Paragraph 9 (a)(ii) of Resolution No. 214. Also excludes \$52,356, of the \$75,023 partial payment by the United States towards the first instalment of its contribution to ADF VI, which has become available for loan commitments in January 1994, the date the Bank received the relevant Instrument of Contribution. The remaining \$22,667 which has become available for technical assistance operations also in January 1994, shall be allocated to TASF in accordance with Resolution No. 214.

2 Net of translation adjustments amounting to \$88 as of 31 December 1993.

ASIAN DEVELOPMENT BANK - ASIAN DEVELOPMENT FUND

NOTES TO FINANCIAL STATEMENTS

31 December 1993 and 31 December 1992

CONTINUED

NOTE A - GENERAL

The Asian Development Fund (the Fund) was established on 28 June 1974 to carry out more effectively the special operations of the Bank by providing resources on concessional terms.

The resources of the Fund have been subsequently augmented by five replenishments, the most recent of which was in August 1992 in a total amount equivalent to US\$4,200,000,000 to cover the operational requirements for the four years ending 31 December 1995. An aggregate amount equivalent to \$140,000,000 was allocated to the Technical Assistance Special Fund.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional Currencies and Reporting Currency

The currencies of contributing members are functional currencies. The reporting currency is the United States dollar, and the financial statements are expressed in thousands of current United States dollars.

Translation of Currencies

Assets, liabilities and amounts available for loan commitments and advance payments on contributions are translated from their functional currencies to the reporting currency generally at the applicable rates of exchange at the end of a reporting period. Revenue and expense amounts are translated for each semi-monthly period generally at the applicable rates of exchange at the beginning of each period; such practice approximates the application of average rates in effect during the period. Translation adjustments relating to set-aside resources (see Note G) are recorded as receivable from or payable to Ordinary Capital Resources. Other translation adjustments are charged or credited to "Accumulated translation adjustments". Exchange gains or losses on currency transactions among functional currencies are included in revenue.

Fair Value of Financial Instruments

The Bank discloses the estimated "fair values" of certain financial instruments. Estimated fair values for financial instruments other than investments are not recorded in the

accounts of the Bank, but are disclosed in the Notes to Financial Statements as additional information.

The fair value of financial instruments that are short-term approximated their carrying value.

Financial instruments for which market quotations are available have been valued at the prevailing market value at 31 December 1993 and 31 December 1992. Financial instruments for which market quotations are not readily available have been valued using methodologies and assumptions which necessarily require the use of subjective judgments. Accordingly, the actual value at which such financial instruments could be exchanged in a current transaction or whether they are actually exchangeable is not determinable.

Investments

The Bank adopted a new accounting standard for certain investments in debt and equity securities as of 31 December 1993. All investment securities held at that date were considered by management to be available for sale and are reported at estimated fair value, with unrealized gains and losses excluded from earnings and reported in "UNEXPENDED BALANCES AND CAPITAL". Estimated fair value generally represents market value. Cost or amortized cost is used to approximate fair value for certain short-term investments not traded in the market (time deposits, etc.). Realized gains and losses are included in earnings and are measured by the difference between average cost or amortized cost and the net proceeds of sales. Investment securities at 31 December 1992 are reported at cost or amortized cost.

Loans

Loans of the Fund are extended to eligible developing member countries, bear only a service charge and require repayment over periods ranging from 35 to 40 years. The Fund requires borrowers to absorb exchange risks attributable to fluctuations in the value of the currencies disbursed. The Fund has not suffered any loan losses on loans made to or guaranteed by members or their governments to date and follows a policy of not taking part in debt rescheduling agreements. It is the policy of the Fund to place in non-accrual status all loans made to eligible developing member countries if principal or service charges with respect to any

ASIAN DEVELOPMENT BANK - ASIAN DEVELOPMENT FUND

NOTES TO FINANCIAL STATEMENTS

31 December 1993 and 31 December 1992

such loans are overdue by six months. Service charges on non-accruing loans are included in income only to the extent that payments have actually been received by the Fund.

The Bank makes specific provisions for possible losses on loans in which principal or service charges are in arrears for one year for loans made to or guaranteed by a member and six months for loans to the private sector based on an evaluation by management of the collectibility of loans outstanding. On the remainder of the private sector portfolio, the Bank makes a general loan loss provision at a rate approved by the Board of Directors. (See Notes D and H.)

Contributions

Contributions by member countries are included in the financial statements as amounts committed from the date Instruments of Contribution are deposited and related formalities are completed.

Contributions are generally to be paid in the currency of the contributor either in cash or notes.

Statement of Cash Flows

For the purposes of the statement of cash flows, the Fund considers that its cash and cash equivalents are limited to "DUE FROM BANKS".

NOTE C - INVESTMENTS

The currency composition of the investment portfolio was as follows:

Currency	1993 Estimated Fair Value	1992 Amortized Cost
Australian dollar	\$ 44,555,000	\$ 61,448,000
Canadian dollar	59,904,000	23,395,000
Deutsche mark	30,030,000	39,381,000
Italian lira	6,593,000	58,561,000
Japanese yen	297,066,000	290,423,000
Netherlands guilder	6,320,000	99,672,000
Pound sterling	59,468,000	86,232,000
United States dollar	125,977,000	131,144,000
Others	95,525,000	146,247,000
Totals	\$725,438,000	\$936,503,000

The amortized cost and estimated fair value of the investments by contractual maturity at 31 December 1993 were as follows:

	Amortized Cost	Estimated Fair Value
Due in one year or less	\$576,345,000	\$576,331,000
Due after one year through five years	131,296,000	135,539,000
Due after five years through ten years	13,479,000	13,568,000
Totals	\$721,120,000	\$725,438,000

During the year ended 31 December 1993, the net unrealized holding gains on investments in government and government guaranteed obligations increased by \$4,671,000. As of 31 December 1993, the amortized cost, gross unrealized gains, gross unrealized losses and estimated fair value of these investments were \$434,625,000, \$4,444,000, \$126,000 and \$438,943,000 (\$431,482,000, \$490,000, \$843,000 and \$431,129,000 - 1992), respectively.

Proceeds from sales of investments in government and government guaranteed obligations during the year ended 31 December 1993 were \$1,183,000,000 (\$1,495,000,000 - 1992). Gross gains and gross losses of \$1,570,000 and \$2,288,000 (\$745,000 and \$167,000 - 1992), respectively, were realized on such sales.

The annualized rate of return on the average investments held during the year, based on the portfolio held at the beginning and end of each month, excluding unrealized gains and losses, was 5.48% (7.56% - 1992).

NOTE D - LOANS

The principal amount outstanding of loans placed in non-accrual status as of 31 December 1993 was \$31,086,000 (\$31,004,000 - 1992) of which \$3,599,000 (\$7,995,000 - 1992) was overdue. Overdue charges on these loans totalled \$680,000 (\$3,879,000 - 1992). Placing these loans in a non-accrual status resulted in a reduction in revenue from loans for the year ended 31 December 1993 of \$796,000 (\$552,000 - 1992). The loans in non-accrual status as of 31 December 1993 and 31 December 1992 were loans made to Afghanistan and Viet Nam, respectively.

In 1993, Viet Nam paid in full its arrears. As a result, revenue from loans for the year ended 31 December 1993, included \$4,303,000 representing previously uncollected service charge revenue.

To date, no loan loss provisions have been made against loans outstanding guaranteed by members or their governments, but loan loss provisions amounting to \$649,000 have been made against private sector loans. (See Note H.)

Loans were fair valued using an entry value method. Under this method, fair value was determined based on the terms at which a similar loan would currently be made by the Bank to a similar borrower. For such loans, fair value approximated the carrying value. The estimated fair value of loans was not affected by credit risks because the amount of any such adjustment was not considered to have a material effect based on the Bank's experience with its borrowers.

NOTE E - NOTES OF CONTRIBUTORS

Notes of contributors are non-negotiable, non-interest-bearing and, subject to certain restrictions imposed by applicable Board of Governors' resolutions, encashable by the Bank at par upon demand.

The Bank currently expects that the notes outstanding at 31 December 1993 will be encashed in varying amounts during the five-year period ending 31 December 1997.

Notes of contributors were fair valued using an entry value method whereby fair value was determined based on the terms at which notes are currently being accepted from contributors. On this basis, fair value of outstanding notes of contributors approximated carrying value.

NOTE F - ADMINISTRATIVE EXPENSES AND ADMINISTRATION CHARGE

Administrative expenses include an administration charge amounting to \$74,647,000 (\$64,913,000 - 1992). The charge represents an apportionment of all administrative expenses of the Bank (other than those appertaining directly to ordinary operations and special operations) based on the number of loans and equity investments approved for the year.

NOTE G - SET-ASIDE RESOURCES

Pursuant to the provisions of Article 19, paragraph 1(i) of the Articles of Agreement Establishing the Asian Development Bank (the Charter), the Board of Governors has authorized the setting aside of 10% of the unimpaired "paid-in" capital paid by members pursuant to Article 6, paragraph 2(a) of the Charter and of the convertible currency portion paid by members pursuant to Article 6, paragraph 2(b) of the Charter as of 28 April 1973, to be used as a part of the Special Funds of the Bank. The capital so set aside was allocated and transferred from the Ordinary Capital Resources to the Fund as Set-Aside Resources.

The capital stock of the Bank is defined in Article 4, paragraph 1 of the Charter, "in terms of United States dollars of the weight and fineness in effect on 31 January 1966" (the 1966 dollar). Therefore, Set-Aside Resources had historically been translated into the current United States dollar (the Bank's unit of account), on the basis of its par value in terms of gold. From 1973 until 31 March 1978, the rate arrived at on this basis was \$1.20635 per 1966 dollar. Since 1 April 1978, at which time the Second Amendment to the Articles of Agreement of the International Monetary Fund (IMF) came into effect, currencies no longer have par values in terms of gold. Pending the Bank's selection of the appropriate successor to the 1966 dollar, the Set-Aside Resources has been valued for purposes of the accompanying financial statements in terms of the Special Drawing Right (SDR), at the value in current United States dollars as computed by the IMF. As of 31 December 1993, the value of the SDR in terms of the current United States dollar was \$1.37356 (\$1.37500 - 1992). On this basis, Set-Aside Resources amounted to \$65,395,000 (\$65,463,000 - 1992). If the capital stock of the Bank as of 31 December 1993 had been valued in terms of \$12,063.50 per share, Set-Aside Resources would have been \$57,434,000.

NOTE H - PRIVATE SECTOR

Private sector loans outstanding as of 31 December 1993 were \$15,569,000 (\$14,591,000 - 1992), net of accumulated provision for loan losses as of 31 December 1993 of \$649,000 (nil - 1992), while undisbursed loan commitments were \$269,000 (\$1,110,000 - 1992).



San Francisco, California

INDEPENDENT AUDITORS' REPORT

Asian Development Bank:

We have audited the following financial statements of the Asian Development Bank - Technical Assistance Special Fund (TASF):

- TASF-1 Balance Sheet, 31 December 1993 and 31 December 1992
- TASF-2 Statement of Operations and Unexpended Balances for the Years Ended 31 December 1993 and 31 December 1992
- TASF-3 Statement of Cash Flows for the Years Ended 31 December 1993 and 31 December 1992
- TASF-4 Statement of Resources, 31 December 1993
- TASF-5 Summary Statement of Services to Member Countries for the Year Ended 31 December 1993
- TASF-6 Notes to Financial Statements, 31 December 1993 and 31 December 1992

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Asian Development Bank - Technical Assistance Special Fund at 31 December 1993 and 31 December 1992 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Deloitte & Touche

23 February 1994

ASIAN DEVELOPMENT BANK - TECHNICAL ASSISTANCE SPECIAL FUND

BALANCE SHEET

31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

ASSETS	<u>1993</u>	<u>1992</u>
DUE FROM BANKS	\$ 2,898	\$ 2,741
INVESTMENTS - 1993 amounts at fair value, 1992 amounts at cost or amortized cost (Notes B and C)		
Government and government guaranteed obligations	712	1,323
Time deposits and other obligations of banks	78,586	19,990
ACCRUED REVENUE	153	62
RECEIVABLE FROM CONTRIBUTOR	145	9,038
RECEIVABLE FROM ASIAN DEVELOPMENT FUND AND OTHER ASSETS (Note D)	68,565	88,882
TOTALS	\$151,059	\$122,036
 LIABILITIES AND UNEXPENDED BALANCES		
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 18,478	\$ 12,080
UNEXPENDED BALANCES (TASF-2 and TASF-4) (Note D)	132.581	109,956
TOTALS	\$151,059	\$122,036

See notes to financial statements (TASF-6).

ASIAN DEVELOPMENT BANK - TECHNICAL ASSISTANCE SPECIAL FUND

STATEMENT OF OPERATIONS AND UNEXPENDED BALANCES

For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

	1993			1992
CONTRIBUTIONS COMMITTED (TASF-4)	\$ 69,691			\$ 148,698
REVENUE				
From investments (Note C)	\$ 1,025			\$ 205
From other sources - net (Note E)	67	1,092		872
Totals		70,783		149,775
EXPENSES				
Services to member countries (TASF-5) (Note E)	49,270			51,996
Administrative expenses	2	49,272		2
CONTRIBUTIONS AND REVENUE IN EXCESS OF EXPENSES		21,511		97,777
EXCHANGE GAIN - net (Note B)		<u>1,114</u>		<u>53</u>
INCREASE IN UNEXPENDED BALANCES		22,625		97,830
TRANSFER TO ASIAN DEVELOPMENT FUND		-		(856)
UNEXPENDED BALANCES AT BEGINNING OF THE YEAR		109,956		12,982
UNEXPENDED BALANCES AT END OF THE YEAR		\$132,581		\$109,956

See notes to financial statements (TASF-6).

ASIAN DEVELOPMENT BANK - TECHNICAL ASSISTANCE SPECIAL FUND

STATEMENT OF CASH FLOWS

For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ 102,781	\$ 64,607
Interest on investments received	930	185
Cash received from other activities	64	840
Services to member countries paid	(42,744)	(45,060)
Administrative expenses paid	(2)	(2)
 Net Cash Provided by Operating Activities	 <u>61,029</u>	 <u>20,570</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash from time deposits and other obligations of banks	(61,856)	(18,317)
Sales and maturities of investment securities	36,876	18,977
Purchases of investment securities	<u>(36,440)</u>	<u>(15,805)</u>
 Net Cash Used for Investing Activities	 <u>(61,420)</u>	 <u>(15,145)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from (paid to) Ordinary Capital Resources and others	615	(2,659)
Resources transferred to Asian Development Fund	-	(856)
 Net Cash Provided by (Used for) Financing Activities	 <u>615</u>	 <u>(3,515)</u>
Effect of Exchange Rate Changes on Due from Banks	<u>(67)</u>	<u>(65)</u>
Net Increase in Due from Banks	157	1,845
Due from Banks at Beginning of the Year	<u>2,741</u>	<u>896</u>
Due from Banks at End of the Year	<u>\$ 2,898</u>	<u>\$ 2,741</u>
RECONCILIATION OF INCREASE IN UNEXPENDED BALANCES TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in unexpended balances	\$ 22,625	\$ 97,830
Adjustments to reconcile increase in unexpended balances to net cash provided by operating activities:		
Contributions receivable and translation adjustments on contributions committed	33,090	(84,091)
Accrued expenses	5,426	4,922
Translation adjustments	(1,117)	(86)
Advances for services to member countries	1,100	2,014
Other - net	(95)	(19)
 Net Cash Provided by Operating Activities	 <u>\$ 61,029</u>	 <u>\$ 20,570</u>

See notes to financial statements (TASF-6).

ASIAN DEVELOPMENT BANK - TECHNICAL ASSISTANCE SPECIAL FUND

STATEMENT OF RESOURCES

31 December 1993

Expressed in Thousands of United States Dollars (Note B)

	Amounts Committed During 1993	Cumulative Amounts Committed	Amounts Utilized During 1993	Cumulative Amounts Utilized	Amounts Unutilized
DIRECT VOLUNTARY CONTRIBUTIONS					
Australia	\$ -	\$ 2,484	\$ -	\$ 2,484	\$ -
Austria	-	152	-	150	2
Bangladesh	-	47	-	47	-
Belgium	-	1,362	65	1,326	36
Canada	-	3,346	-	3,346	-
China, People's Republic of	-	600	-	600	-
Denmark	-	1,963	-	1,963	-
Finland	-	237	-	237	-
France	-	1,697	-	1,697	-
Germany	-	3,315	-	3,315	-
Hong Kong	-	100	-	100	-
India	145	2,409	19	2,291	118
Indonesia	-	250	-	250	-
Italy	-	774	-	774	-
Japan	-	47,710	-	47,710	-
Korea, Republic of	-	1,900	-	1,900	-
Malaysia	-	909	-	909	-
Netherlands	-	1,338	-	1,338	-
New Zealand	-	1,096	-	1,096	-
Norway	-	3,279	-	3,279	-
Pakistan	59	991	59	991	-
Singapore	-	100	-	100	-
Spain	-	190	-	190	-
Sri Lanka	-	6	-	6	-
Sweden	-	861	-	861	-
Switzerland	-	1,035	-	1,035	-
Taipei, China	-	200	-	200	-
United Kingdom	-	5,617	-	5,617	-
United States	-	1,500	-	1,500	-
Totals	204	85,468	143	85,312	156
REGULARIZED TASF REPLENISHMENTS AND ALLOCATION FROM ORDINARY CAPITAL RESOURCES NET INCOME (Note D)	69,487	313,995	53,057	193,858	120,137
TRANSFERS TO ASIAN DEVELOPMENT FUND	-	(1,256)	-	(1,256)	-
OTHER RESOURCES ¹	-	29,285	2	16,997	12,288
TOTALS	\$69,691	\$427,492	\$53,202²	\$294,911	\$132,581

See notes to financial statements (TASF-6).

1 Other resources represent income and reimbursements accruing to the TASF since 1 April 1980.

2 Includes exchange loss amounting to \$3,930.

ASIAN DEVELOPMENT BANK - TECHNICAL ASSISTANCE SPECIAL FUND

SUMMARY STATEMENT OF SERVICES TO MEMBER COUNTRIES

For the Year Ended 31 December 1993

Expressed in Thousands of United States Dollars (Note B)

Recipients	Project Preparation	Project Implementation/ Advisory	Totals
Bangladesh	\$ 3	\$ 2,791	\$ 2,794
Bhutan	208	475	683
Cambodia	-	306	306
China, People's Republic of	1,093	6,838	7,931
Cook Islands	162	11	173
Fiji	-	575	575
India	810	3,654	4,464
Indonesia	893	1,857	2,750
Kiribati	-	940	940
Lao PDR	549	1,529	2,078
Malaysia	169	439	608
Maldives	(10)	877	867
Marshall Islands	65	501	566
Micronesia, Fed. States of	-	87	87
Mongolia	240	653	893
Nepal	111	2,139	2,250
Pakistan	105	1,820	1,925
Papua New Guinea	1	745	746
Philippines	338	2,291	2,629
Solomon Islands	-	175	175
Sri Lanka	328	1,578	1,906
Thailand	127	1,131	1,258
Tonga	50	373	423
Tuvalu	-	25	25
Vanuatu	-	546	546
Western Samoa	-	204	204
Totals	\$5,242	\$32,560	37,802
Regional Activities			11,468
TOTAL			\$49,270

See notes to financial statements (TASF-6).

ASIAN DEVELOPMENT BANK - TECHNICAL ASSISTANCE SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 1993 and 31 December 1992

NOTE A - GENERAL

The Technical Assistance Special Fund (TASF) was established to provide technical assistance on a grant basis to the Bank's developing member countries. TASF resources consist of direct voluntary contributions by members, allocations from ordinary capital resources, Asian Development Fund (ADF) contributions, and income from investments and other sources.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional Currency and Reporting Currency

The functional currency of the TASF is deemed, as a matter of convenience, to be the same as the reporting currency, the United States dollar. The financial statements of TASF are expressed in thousands of current United States dollars.

Translation of Currencies

Assets, liabilities and unexpended balances in currencies other than United States dollars are translated at the applicable rates of exchange at the end of a reporting period. Contributions committed during the year are translated initially at applicable exchange rates as of the respective dates of commitment. As to cumulative contributions committed, the utilized portions have been translated at the applicable exchange rates as of the respective dates of use whereas the unutilized portions are translated at the applicable exchange rates as of the end of a reporting period, with resulting translation adjustments included in contributions committed. Revenue and expense amounts in currencies other than United States dollars are translated for each semi-monthly period generally at the applicable rates of exchange at the beginning of each period; such practice approximates the application of average rates in effect during the period. Translation adjustments are accounted for as exchange gains or losses and are charged or credited to operations.

Fair Value of Financial Instruments

The fair value of financial instruments that are short-term approximated their carrying value.

Investments

The Bank adopted a new accounting standard for certain investments in debt and equity securities as of 31 December 1993. All investment securities held at that date were considered by management to be available for sale and are reported at estimated fair value, with unrealized gains and losses excluded from earnings and reported in "UNEXPENDED BALANCES". Estimated fair value generally represents market value. Cost or amortized cost is used to approximate fair value for certain short-term investments not traded in the market (time deposits, etc.). Realized gains and losses are included in earnings and are measured by the difference between average cost or amortized cost and the net proceeds of sales. Investment securities at 31 December 1992 are reported at cost or amortized cost.

Contributions

Contributions by member countries are included in the financial statements as amounts committed from the date contribution agreements become effective.

Statement of Cash Flows

For the purposes of the statement of cash flows, the TASF considers that its cash and cash equivalents are limited to "DUE FROM BANKS".

NOTE C - INVESTMENTS

The currency composition of the investment portfolio was as follows:

Currency	1993 Estimated Fair Value	1992 Amortized Cost
Australian dollar	\$ 1,950,000	\$ 1,958,000
Deutsche mark	2,100,000	127,000
French franc	592,000	1,746,000
Japanese yen	69,587,000	14,107,000
Netherlands guilder	1,566,000	-
Norwegian krone	350,000	144,000
Pound sterling	934,000	-
Swedish krona	486,000	700,000
Others	1,733,000	2,531,000
Totals	\$79,298,000	\$21,313,000

At 31 December 1993 and 31 December 1992, the estimated fair value of investments approximated the amortized cost. All such investments were due in one year or less.

Proceeds from sales of investments in government and government guaranteed obligations during the year ended 31 December 1993 were \$34,318,000 (\$18,854,000 - 1992). Gross gains and gross losses of \$38,000 and \$1,000 (\$19,000 and nil - 1992), respectively, were realized on such sales.

The annualized rate of return on the average investments held during the year, based on the portfolio held at the beginning and end of each month, excluding unrealized gains and losses, was 3.81% (8.83% - 1992).

NOTE D - FUNDING

Since 1967, contributions have been made by 31 member countries. In February 1992, the Board of Governors, in authorizing a \$4,200,000,000 replenishment of the ADF, provided for an allocation to the TASF in an aggregate amount equivalent to \$140,000,000 to be used for technical assistance to poorer developing members and for

regional technical assistance. This replenishment became effective in August 1992.

The Board of Governors allocated \$60,000,000 from the 1992 net income of the Ordinary Capital Resources to the TASF in 1993 and \$50,000,000 from the 1991 net income in 1992.

NOTE E - SERVICES TO MEMBER COUNTRIES

The Bank's outstanding commitments for grant-financed technical assistance projects and programs totalled approximately \$103,740,000 as of 31 December 1993 (\$111,831,000 - 1992). Technical Assistance Special Fund resources are used for these commitments. The fair value of such commitments approximated the amounts outstanding because the Bank expects that grants will be made for all projects and programs covered by the commitments. When technical assistance provided as a project preparatory grant leads to a Bank loan, the amount of the grant exceeding \$250,000 will be refinanced under the loan. Refinanced amounts of \$1,000 (\$847,000 - 1992) were charged to loans and credited to revenue from other sources of the TASF during the year ended 31 December 1993.



San Francisco, California

INDEPENDENT AUDITORS' REPORT

Asian Development Bank:

We have audited the following financial statements of the Asian Development Bank - Japan Special Fund (JSF):

JSF-1 Balance Sheet, 31 December 1993 and 31 December 1992

JSF-2 Statement of Operations and Unexpended Balances for the
Years Ended 31 December 1993 and 31 December 1992

JSF-3 Statement of Cash Flows for the Years Ended
31 December 1993 and 31 December 1992

JSF-4 Notes to Financial Statements, 31 December 1993 and
31 December 1992

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Asian Development Bank - Japan Special Fund at 31 December 1993 and 31 December 1992 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Deloitte & Touche

23 February 1994

ASIAN DEVELOPMENT BANK - JAPAN SPECIAL FUND

BALANCE SHEET

31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

ASSETS	1993	1992
DUE FROM BANKS	\$ 394	\$ 181
INVESTMENTS - 1993 amounts at fair value, 1992 amounts at cost or amortized cost (Notes B and C)		
Government and government guaranteed obligations	\$258,829	\$123,817
Time deposits	<u>46,625</u>	<u>96,768</u>
EQUITY INVESTMENTS - (Notes B and D)	1,253	1,357
Less - allowance for possible losses	<u>50</u>	<u>-</u>
ACCRUED REVENUE	16	152
OTHER ASSETS	7,290	5,383
TOTALS	\$314,357	\$227,658
LIABILITIES AND UNEXPENDED BALANCES		
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 13,807	\$ 6,166
UNEXPENDED BALANCES (JSF-2)	300,550	221,492
TOTALS	\$314,357	\$227,658

See notes to financial statements (JSF-4).

ASIAN DEVELOPMENT BANK - JAPAN SPECIAL FUND
STATEMENT OF OPERATIONS AND UNEXPENDED BALANCES
For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

	1993	1992
CONTRIBUTIONS COMMITTED	\$ 88,614	\$ 69,415
REVENUE		
From investments (Note C)	7,813	7,925
Totals	96,427	77,340
EXPENSES		
Services to member countries (Note E)	\$34,255	\$26,919
Administrative expenses	632	625
Provision for losses (Notes B and D)	50	34,937
CONTRIBUTIONS AND REVENUE IN EXCESS OF EXPENSES	61,490	49,796
EXCHANGE LOSS - net (Note B)	(126)	(193)
INCREASE IN UNEXPENDED BALANCES BEFORE TRANSLATION ADJUSTMENTS	61,364	49,603
TRANSLATION ADJUSTMENTS	17,706	1,259
UNREALIZED INVESTMENT HOLDING LOSSES (Notes B and C)	(12)	-
UNEXPENDED BALANCES AT BEGINNING OF THE YEAR	221,492	170,630
UNEXPENDED BALANCES AT END OF THE YEAR	\$300,550	\$221,492

See notes to financial statements (JSF-4).

ASIAN DEVELOPMENT BANK - JAPAN SPECIAL FUND

STATEMENT OF CASH FLOWS

For the Years Ended 31 December 1993 and 31 December 1992

Expressed in Thousands of United States Dollars (Note B)

	<u>1993</u>	<u>1992</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ 85,444	\$ 73,601
Interest on investments received	7,948	7,774
Services to member countries paid	(28,988)	(26,508)
Administrative expenses paid	(870)	(442)
 Net Cash Provided by Operating Activities	<u>63,534</u>	<u>54,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash invested in time deposits	62,048	(97,639)
Sales and maturities of investment securities	776,845	888,301
Purchases of investment securities	(902,952)	(845,120)
 Net Cash Used for Investing Activities	<u>(64,059)</u>	<u>(54,458)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from (paid to) Ordinary Capital Resources and others	700	(428)
 Effect of Exchange Rate Changes on Due from Banks	<u>38</u>	<u>23</u>
 Net Increase (Decrease) in Due from Banks	<u>213</u>	<u>(438)</u>
 Due from Banks at Beginning of the Year	<u>181</u>	<u>619</u>
 Due from Banks at End of the Year	<u>\$ 394</u>	<u>\$ 181</u>
RECONCILIATION OF INCREASE IN UNEXPENDED BALANCES TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
 Increase in unexpended balances before translation adjustments	<u>\$ 61,364</u>	<u>\$ 49,603</u>
Adjustments to reconcile increase in unexpended balances to net cash provided by operating activities:		
Contribution receivable	(3,170)	4,186
Other assets - advances	(2,508)	2,281
Accounts payable and other liabilities	7,537	(1,687)
Other - net	311	42
 Net Cash Provided by Operating Activities	<u>\$ 63,534</u>	<u>\$ 54,425</u>

See notes to financial statements (JSF-4).

ASIAN DEVELOPMENT BANK – JAPAN SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 1993 and 31 December 1992

NOTE A – GENERAL

The Japan Special Fund (JSF) was established in March 1988 when Japan and the Bank entered into a financial arrangement whereby Japan agreed to make an initial contribution and the Bank became the administrator. The purpose of JSF is to help developing member countries of the Bank restructure their economies and broaden the scope of opportunities for new investments, thereby assisting the recycling of funds to developing member countries of the Bank. While the JSF resources are used mainly to finance technical assistance operations, these resources may also be used for equity investment operations in the Bank's developing member countries. The Bank may invest the proceeds of JSF pending disbursement and use the income from such investments to pay for direct and identifiable costs incurred in the administration of JSF.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional Currency and Reporting Currency

The functional currency of JSF is the Japanese yen while the reporting currency is the United States dollar. The financial statements are expressed in thousands of current United States dollars.

Translation of Currencies

Assets, liabilities and unexpended balances are translated from the functional currency to the reporting currency at the applicable rates of exchange at the end of a reporting period. Contributions committed have been translated at the applicable exchange rates as of the respective dates received. Revenue and expense amounts in Japanese yen are translated for each semi-monthly period at the applicable rates of exchange at the beginning of each period; such practice approximates the application of average rates in effect during the period. Exchange gains or losses on currency transactions between the Japanese yen and other currencies are charged or credited to operations.

Fair Value of Financial Instruments

The fair value of financial instruments that are short-term approximated their carrying value.

Investments

The Bank adopted a new accounting standard for certain investments in debt and equity securities as of 31 December 1993. All investment securities held at that date were considered by management to be available for sale and are reported at estimated fair value, with unrealized gains and losses excluded from earnings and reported in "UNEXPENDED BALANCES". Estimated fair value generally represents market value. Cost or amortized cost is used to approximate fair value for certain short-term investments not traded in the market (time deposits, etc.). Realized gains and losses are included in earnings and are measured by the difference between average cost or amortized cost and the net proceeds of sales. Investment securities at 31 December 1992 are reported at cost or amortized cost.

Equity Investments

Equity investments are reported at cost. The Bank makes provisions for possible loss of value quarterly based on management's evaluation of potential losses in the equity investments portfolio.

Equity investments were not considered to be material and were not fair valued.

Contributions

Contributions by Japan are included in the financial statements as amounts committed from the date indicated by Japan that funds are expected to be made available.

Statement of Cash Flows

For the purposes of the statement of cash flows, the JSF considers that its cash and cash equivalents are limited to "DUE FROM BANKS".

NOTE C – INVESTMENTS

The investment portfolio was composed wholly of investments denominated in Japanese yen. As of 31 December 1993, the amortized cost and estimated fair value of the investments were \$305,466,000 and \$305,454,000 (\$220,585,000 and \$220,203,000 – 1992), respectively and were due in one year or less.

During the year ended 31 December 1993, the net unrealized holding losses on investments in government and government guaranteed obligations decreased by \$370,000. As of 31 December 1993, the amortized cost, gross unrealized gains, gross unrealized losses and estimated fair value of these investments were \$258,841,000, \$23,000, \$35,000 and \$258,829,000 (\$123,817,000, nil, \$382,000 and \$123,435,000 – 1992), respectively.

Proceeds from sales of investments in government and government guaranteed obligations during the year ended 31 December 1993 were \$299,589,000 (\$781,351,000 – 1992). Gross gains and gross losses of \$45,000 and \$27,000 (\$390,000 and \$90,000 – 1992), respectively, were realized on such sales.

The annualized rate of return on the average investments held during the year, based on the portfolio held at the

beginning and end of each month, excluding unrealized gains and losses, was 3.10% (4.56% -1992).

NOTE D - EQUITY INVESTMENTS

The Bank has used JSF resources to make equity investments in India in 1990 totalling \$1,253,000. During the year, a provision for losses amounting to \$50,000 has been made against the equity investment.

NOTE E - SERVICES TO MEMBER COUNTRIES

The JSF's outstanding commitments for projects and programs totalled approximately \$81,083,000 as of 31 December 1993 (\$64,557,000 – 1992). The fair value of such commitments approximated the amounts outstanding because JSF expects that disbursements will be made for substantially all the projects and programs covered by the commitments.

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ECONOMIC DATA OF DMCs

Table 1
ESTIMATES OF REAL GDP GROWTH RATE, 1983-1993
AND PER CAPITA GNP, 1992 OF SELECTED DMCs

Country	Annual Average (1983-1990)	GDP Growth Rate (%)			Per Capita GNP ^a (US\$) 1992
		1991	1992	1993 ^b	
NIEs	8.8	7.3	5.5	5.7	
Hong Kong	7.0	4.1	5.3	5.5	15,380
Korea, Rep. of	9.9	8.5	4.8	4.7	6,790
Singapore	6.9	6.7	6.0	9.9	15,750
Taipei,China	8.5	7.2	6.5	6.2	10,210
PRC and MONGOLIA	9.9	8.0	13.2	13.4	
China, People's Rep. of	9.9	8.0	13.2	13.4	380
Mongolia ^c	4.4	-14.2	-15.4	-7.9	550
SOUTHEAST ASIA	5.9	6.4	6.1	6.4	
Cambodia ^c	4.3 ^d	7.6	7.0	5.7	200 ^e
Indonesia	5.6	6.9	6.4	6.5	670
Lao PDR	4.7	4.0	7.0	4.0	250
Malaysia	5.9	8.7	7.8	8.0	2,790
Philippines	1.3	-0.5	0.1	1.7	770
Thailand	8.5	8.1	7.6	7.8	1,840
Viet Nam, Soc. Rep. of	5.4 ^d	6.0	8.3	8.0	140
SOUTH ASIA	5.8	1.9	5.0	3.7	
Afghanistan ^c	-1.5 ^d
Bangladesh ^f	4.4	3.4	4.2	4.5	220
Bhutan	7.2	5.0	2.1	5.0	180
India ^f	6.0	1.0	4.6	3.8	310
Maldives	13.9	7.6	6.3	6.1	500
Myanmar ^{c,f}	0.3	-1.0	10.9	5.8	890
Nepal ^f	5.1	4.6	2.1	2.9	170
Pakistan ^f	6.1	5.5	7.8	2.6	410
Sri Lanka	4.0	4.8	4.3	6.1	540
PACIFIC ISLAND DMCs	1.8	6.4	6.5	10.0	
Cook Islands	5.6	2.1	2.0	1.7	...
Fiji	2.5	0.6	3.1	1.7	2,010
Kiribati	1.6	1.9	2.5	2.9	700
Marshall Islands ^f	...	0.6	0.1	...	1,590
Micronesia, Fed. States of
Papua New Guinea	1.4	9.5	8.7	14.4	950
Solomon Islands	3.8	3.9	8.2	6.0	710
Tonga ^f	1.6	6.3	-0.9	0.0	1,350
Tuvalu	15.9 ^d	11.4	8.9	8.7	...
Vanuatu	2.4 ^d	3.5	-0.1	2.0	1,220
Western Samoa	0.5	-1.6	-4.2	4.8	940
Weighted Average^g	7.9	6.2	7.4	7.3	

... Data not available.

a World Bank Atlas methodology, 1990-92 base period, except for Marshall Islands, Mongolia, Myanmar, Taipei,China and Viet Nam; figures for Hong Kong, Marshall Islands, Mongolia and Viet Nam refer to GDP.

b Preliminary estimates.

c Countries' figures are excluded from respective group and total weighted averages. Mongolia's data are on net material product (NMP) basis.

d Refers to 1985-90 for Cambodia; 1986-90 for Viet Nam; 1983-89 for Afghanistan; 1987-90 for Tuvalu; and 1984-90 for Vanuatu.

e Estimate for 1991.

f Refers to fiscal year ending 31 March for India and Myanmar; ending 30 June for Bangladesh, Pakistan and Tonga; ending 15 July for Nepal; ending 30 September for Marshall Islands.

g Respective year GDP (in US dollars) is used as weights for 1991 and 1992. However, GDP in 1992 is used as weights to derive the averages for the other years.

Sources: Country sources.

IMF, *International Financial Statistics*, February 1994.

World Bank, *The World Bank Atlas* 1994.

ADB data file.

Table 2
DOMESTIC SAVINGS, CAPITAL FORMATION AND RESOURCE GAP
AS PERCENTAGE OF GDP OF SELECTED DMCs, 1991-1993

Country	Gross Domestic Savings as Percentage of GDP			Gross Capital Formation as Percentage of GDP			Resource Gap		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
NIEs									
Hong Kong	31.2	31.0	30.2	28.2	29.1	29.7	-3.0	-1.9	-0.5
Korea, Rep. of	36.7	35.2	34.8	39.0	35.9	34.4	2.3	0.7	-0.4
Singapore	45.8	47.1	48.3	38.2	40.8	42.0	-7.6	-6.3	-6.3
Taipei, China	27.8	26.7	27.0	22.8	24.2	25.1	-5.1	-2.5	-1.9
PRC and MONGOLIA									
China, People's Rep. of	38.3	35.9	35.5	35.4	34.1	36.7	-2.9	-1.8	1.2
Mongolia	3.5	3.0	...	21.3	12.4	...	17.8	9.4	...
SOUTHEAST ASIA									
Cambodia	7.7	7.5	8.3	9.4	9.8	14.0	1.7	2.3	5.7
Indonesia	35.4	37.3	38.0	35.0	34.6	35.2	-0.4	-2.7	-2.8
Lao PDR	2.0	3.6	...	13.0	14.4	...	11.0	10.8	...
Malaysia	31.1	35.5	38.3	37.0	33.8	33.5	5.9	-1.7	-4.8
Philippines	16.4	14.7	14.6	20.4	22.2	24.3	4.0	7.5	9.7
Thailand	35.2	34.8	37.1	42.0	40.1	43.5	6.8	5.3	6.4
Viet Nam, Soc. Rep. of	11.6	12.0	19.8
SOUTH ASIA									
Afghanistan
Bangladesh	4.1	5.8	7.2	11.5	12.1	12.7	7.4	6.3	5.5
Bhutan	18.5	5.4	17.3	32.7	38.3	38.3	14.2	32.9	21.0
India	24.7	22.4	23.6	25.5	24.6	24.1	0.8	2.2	0.5
Maldives
Myanmar	14.4	13.1	12.3	15.8	14.1	13.3	1.4	1.0	1.0
Nepal	7.4	9.5	9.7	21.1	21.9	20.7	13.8	12.5	11.0
Pakistan	13.0	16.9	13.5	19.0	20.1	20.4	6.0	3.2	6.9
Sri Lanka	13.0	16.9	16.0	23.2	25.3	24.2	10.2	8.4	8.2
PACIFIC ISLAND DMCs									
Cook Islands
Fiji	14.6	14.6	...	13.6	13.3	...	-1.0	-1.3	...
Kiribati
Marshall Islands
Micronesia, Fed. States of
Papua New Guinea	17.5	19.0	27.8	27.4	22.4	18.8	9.9	3.4	-9.0
Solomon Islands
Tonga	-9.9	-7.8	...	28.3	24.4	...	38.2	32.2	...
Tuvalu	-14.0	36.0	50.0
Vanuatu	7.6	7.8	10.0	35.0	36.0	36.0	27.4	28.2	26.0
Western Samoa

... Data not available.

Source: ADB data file.

Table 3
CHANGES IN CONSUMER PRICES OF SELECTED DMCs, 1991-1993^a
 (%)

Country	1991	1992	1993 ^b
NIEs	7.6	5.9	5.0
Hong Kong	12.0	9.4	8.5
Korea, Rep. of	9.3	6.2	5.8
Singapore	3.4	2.3	2.4
Taipei, China	3.6	4.5	2.9
PRC and MONGOLIA	5.1	8.6	13.2
China, People's Rep. of	5.1	8.6	13.2
Mongolia ^c	120.1	325.5	183.0
SOUTHEAST ASIA	10.1	7.1	6.4
Cambodia ^c	197.0	75.0	120.2
Indonesia	9.3	7.6	9.7
Lao PDR	13.4	9.9	7.0
Malaysia	4.4	4.7	3.6
Philippines	18.7	8.9	7.6
Thailand	5.7	4.1	3.3
Viet Nam, Soc. Rep. of	83.0	37.8	8.5
SOUTH ASIA	13.1	11.0	8.4
Afghanistan ^c	56.7
Bangladesh ^d	7.2	4.3	3.0
Bhutan	12.3	12.7	7.8
India	13.9	11.7	8.6
Maldives	14.7	16.8	20.1
Myanmar ^{c,d}	32.3	21.9	30.3
Nepal	15.5	17.2	8.2
Pakistan	11.8	9.5	9.3
Sri Lanka	12.2	11.4	12.0
PACIFIC ISLAND DMCs	7.0	5.0	4.5
Cook Islands ^d	5.8	3.5	...
Fiji	6.5	4.9	5.2
Kiribati ^d	5.6	4.0	7.0
Marshall Islands ^d	4.0	10.3	5.0
Micronesia, Fed. States of
Papua New Guinea ^d	7.4	4.5	4.5
Solomon Islands ^d	11.2	13.1	5.9
Tonga	9.4	7.9	3.0
Tuvalu	7.9	2.2	1.5
Vanuatu ^d	6.5	4.2	2.5
Western Samoa	-1.4	8.5	1.4
Weighted Average^e	8.6	7.8	7.9

... Data not available.

a Unless otherwise indicated, data refer to changes in average consumer prices of all cities.

b Preliminary estimates.

c Countries' figures are excluded from respective group and total weighted averages.

d Data refer to capital city.

e Respective year GDP (in US dollars) is used as weights for 1991 and 1992. However, GDP in 1992 is used as weights to derive the averages for 1993.

Sources: Country sources.

IMF, *International Financial Statistics Yearbook 1993* and February 1994.

ADB data file.

Table 4
FOREIGN TRADE OF SELECTED DMCs, 1991-1993
 (\$ million)

Country	Exports (fob)			Imports (cif)			Balance of Trade		
	1991	1992	1993 ^a	1991	1992	1993 ^a	1991	1992	1993 ^a
NIEs	305,506	340,950	378,537	310,922	349,540	387,018	-5,416	-8,590	-8,481
Hong Kong	98,557	119,488	135,244	100,242	123,407	138,650	-1,685	-3,920	-3,406
Korea, Rep. of	71,870	76,632	81,740	81,525	81,775	83,660	-9,655	-5,143	-1,920
Singapore	58,972	63,444	76,260	66,100	72,147	87,443	-7,128	-8,703	-11,182
Taipei, China	76,107	81,386	85,293	63,054	72,210	77,265	13,052	9,176	8,028
PRC and MONGOLIA	72,238	85,236	89,875	64,211	81,004	103,592	8,027	4,232	-13,717
China, People's Rep. of	71,890	84,847	89,514	63,850	80,586	103,231	8,040	4,261	-13,717
Mongolia	348	389	361	361	418	362	-13	-30	-1
SOUTHEAST ASIA	103,483	119,783	135,568	115,882	125,918	139,979	-12,399	-6,134	-4,411
Cambodia ^b	253	287	219	285	361	404	-33	-73	-185
Indonesia	29,142	33,966	36,825	25,869	27,279	28,162	3,273	6,687	8,663
Lao PDR	97	133	147	292	265	319	-195	-132	-172
Malaysia	34,361	40,766	47,900	36,665	39,925	45,400	-2,303	841	2,500
Philippines	8,839	9,824	11,101	12,857	15,465	17,321	-4,018	-5,641	-6,220
Thailand	28,704	32,236	36,576	37,576	40,115	45,066	-8,872	-7,879	-8,490
Viet Nam, Soc. Rep. of ^b	2,087	2,571	2,800	2,338	2,508	3,307	-251	63	-507
SOUTH ASIA	28,845	32,441	38,090	37,348	41,995	44,965	-8,504	-9,553	-6,875
Afghanistan	188	616	-428
Bangladesh	1,691	2,098	2,518	3,353	3,908	4,518	-1,662	-1,810	-2,000
Bhutan ^b	70	63	66	81	83	125	-11	-20	-59
India	17,643	19,563	23,476	20,181	23,581	23,769	-2,538	-4,017	-293
Maldives ^b	54	40	40	161	182	200	-108	-142	-161
Myanmar	419	531	666	646	651	745	-227	-120	-79
Nepal	264	374	435	758	792	887	-494	-418	-453
Pakistan	6,529	7,320	7,905	8,462	9,381	10,384	-1,933	-2,061	-2,479
Sri Lanka	1,987	2,453	2,985	3,090	3,417	4,337	-1,102	-964	-1,351
PACIFIC ISLAND DMCs	1,945	2,386	2,879	2,845	2,670	2,304	-900	-284	575
Cook Islands	5	3	...	55	59	...	-49	-55	...
Fiji	450	435	417	652	624	659	-202	-190	-241
Kiribati ^b	3	5	4	26	37	26	-23	-32	-22
Marshall Islands	3	5	...	56	62	...	-54	-57	...
Micronesia, Fed. States of	11	89	-78
Papua New Guinea	1,349	1,794	2,314	1,614	1,522	1,316	-266	272	998
Solomon Islands	83	102	126	112	107	137	-29	-5	-11
Tonga	13	12	9	59	63	61	-46	-50	-53
Tuvalu	0	0	0	5	5	7	-5	-5	-7
Vanuatu	20	24	...	83	81	...	-63	-58	...
Western Samoa	6	6	8	94	110	98	-88	-104	-90
TOTAL	512,016	580,796	644,949	531,209	601,126	677,858	-19,192	-20,330	-32,909

... Data not available.

0 Magnitude is less than half of the unit employed.

a Preliminary estimates.

b Import figures are based on fob.

Sources: Country sources.

IMF, *International Financial Statistics*, February 1994.

ADB data file.

Table 5
INTERNATIONAL RESERVES AND RATIO OF RESERVES
TO IMPORTS OF SELECTED DMCs, 1991-1993

Country	International Reserves ^a (\$ million)			Ratio to Imports ^b (Months)		
	1991	1992	1993 ^c	1991	1992	1993 ^c
NIEs	136,191	145,346	149,725	5.3	5.0	4.6
Hong Kong
Korea, Rep. of	13,733	17,153	20,262	2.0	2.5	2.9
Singapore	34,133	39,885	45,466	6.2	6.6	6.2
Taipei, China	88,325	88,308	83,997	16.8	14.7	13.0
PRC and MONGOLIA	44,436	21,230	22,689	8.3	3.1	2.6
China, People's Rep. of	44,308	21,230	22,689	8.3	3.2	2.6
Mongolia	128	4.2
SOUTHEAST ASIA	44,250	55,337	58,699	4.6	5.3	5.0
Cambodia
Indonesia	10,251	11,394	12,414	4.8	5.0	5.3
Lao PDR	54	80	...	2.2	3.6	...
Malaysia	11,003	17,342	15,371	3.6	5.2	4.1
Philippines	4,526	5,339	5,474	4.2	4.1	3.8
Thailand	18,416	21,182	25,440	5.9	6.3	6.8
Viet Nam, Soc. Rep. of
SOUTH ASIA	11,302	13,891	17,713	3.6	4.0	4.7
Afghanistan	480	11	...	9.3
Bangladesh	1,300	1,847	2,347	4.7	5.7	6.2
Bhutan ^d	99	78	90	14.7	11.3	8.7
India	6,794	8,665	11,850	4.0	4.4	6.0
Maldives	24	28	26	1.8	1.9	1.6
Myanmar	271	292	298	5.0	5.4	4.8
Nepal	404	474	582	6.4	7.2	7.9
Pakistan	1,236	1,531	993	1.8	2.0	1.1
Sri Lanka	695	964	1,527	2.7	3.4	4.2
PACIFIC ISLAND DMCs	754	725	572	3.2	3.3	3.0
Cook Islands
Fiji	272	317	268	5.0	6.1	4.9
Kiribati
Marshall Islands
Micronesia, Fed. States of
Papua New Guinea	334	250	153	2.5	2.0	1.4
Solomon Islands ^d	9	24	19	0.9	2.6	1.6
Tonga ^d	32	32	38	6.6	6.0	7.5
Tuvalu
Vanuatu ^d	40	42	43	5.8	6.2	...
Western Samoa	68	61	52	8.7	6.7	6.4
T O T A L	236,933	236,529	249,397	5.4	4.7	4.4

.. Data not available.

a Consisting of gold, SDRs, reserve position with IMF and foreign exchange holdings; year-end figures unless otherwise specified.

b Imports, cif from trade statistics were used for computing the ratio.

c Preliminary estimates.

d Refers to total reserves minus gold.

Sources: IMF, *International Financial Statistics*, February 1994.

ADB data file.

Table 6

TOTAL NET FLOWS OF FINANCIAL RESOURCES TO SELECTED DMCs, 1990-1992^a
(\$ million)

Country	Concessional Flows (ODA)			Non-Concessional Flows ^b			Total Flows		
	1990	1991	1992	1990	1991	1992	1990	1991	1992
NIEs	124	102	-10	8,286	5,402	5,704	8,410	5,504	5,694
Hong Kong	38	36	-39	3,471	2,487	2,635	3,509	2,523	2,596
Korea, Rep. of	52	55	3	1,030	2,771	2,680	1,082	2,826	2,683
Singapore	-3	8	20	3,372	1,558	1,697	3,369	1,566	1,717
Taipei, China	36	3	6	414	-1,413	-1,308	450	-1,410	-1,302
PRC and MONGOLIA	2,390	2,081	3,187	2,748	3,152	2,926	5,138	5,233	6,113
China, People's Rep. of	2,093	1,999	3,065	2,749	3,138	2,913	4,842	5,137	5,978
Mongolia	297	82	123	-1	14	13	296	96	136
SOUTHEAST ASIA	5,836	4,604	5,756	5,469	8,578	5,926	11,305	13,182	11,682
Cambodia	145	106	206	0	3	1	145	109	207
Indonesia	1,708	1,874	2,105	1,631	3,830	2,504	3,339	5,704	4,609
Lao PDR	178	161	166	-	0	0	178	161	166
Malaysia	469	289	209	1,143	1,179	144	1,612	1,468	353
Philippines	1,277	1,053	1,718	700	594	797	1,977	1,647	2,515
Thailand	797	721	773	1,998	2,940	2,476	2,795	3,661	3,249
Viet Nam, Soc. Rep. of	1,262	399	579	-3	31	4	1,259	430	583
SOUTH ASIA	6,091	8,129	6,860	3,397	2,446	1,896	9,488	10,575	8,756
Afghanistan	167	583	204	-2	7	-0	165	590	204
Bangladesh	2,103	1,889	1,835	50	141	-20	2,153	2,030	1,815
Bhutan	48	64	56	3	-1	-11	51	63	45
India	1,388	2,676	2,450	2,780	1,515	1,005	4,168	4,191	3,455
Maldives	22	35	39	16	9	12	38	44	51
Myanmar	162	179	115	-56	-12	46	106	167	161
Nepal	429	453	439	2	-4	142	431	449	581
Pakistan	1,043	1,358	1,076	595	813	734	1,638	2,171	1,810
Sri Lanka	729	891	644	8	-22	-10	737	869	634
PACIFIC ISLAND DMCs	679	651	739	333	343	343	1,011	994	1,082
Cook Islands	12	13	17	4	10	52	16	23	69
Fiji	51	45	63	20	16	84	71	61	147
Kiribati	21	20	27	-	-0	1	21	20	28
Marshall Islands	-	-	8	-	-	-	-	-	8
Micronesia, Fed. States of	-	-	14	-	-	-	-	-	14
Papua New Guinea	415	400	442	191	286	208	606	686	650
Solomon Islands	45	35	45	13	3	3	58	38	48
Tonga	30	19	24	-0	0	0	29	20	24
Tuvalu	5	5	8	-	1	5	5	6	13
Vanuatu	52	55	41	99	25	-12	151	80	29
Western Samoa	48	57	50	6	3	1	54	60	51
T O T A L	15,120	15,566	16,532	20,233	19,921	16,795	35,353	35,487	33,327

- Magnitude equals zero.

0 Magnitude is less than half of the unit employed.

a Net flows imply total flows minus repayments of principal for the year.

b Including bilateral and multilateral non-concessional flows and private flows.

Sources: OECD, *Geographical Distribution of Financial Flows to Developing Countries, 1988/1991*.

OECD, 17 March 1994 official communication.

Table 7
TOTAL EXTERNAL DEBT AND DEBT-SERVICE RATIO
OF SELECTED DMCs, 1990-1992
(\$ million)

Country	Debt Outstanding ^a			Service Payments ^b			Debt-service Ratio ^b (%)		
	1990	1991	1992	1990	1991	1992	1990	1991	1992
NIEs	34,988	39,634	42,999	8,279	6,049	6,770	10.7	7.1	7.4
Hong Kong	-	-	-	-	-	-	-	-	-
Korea, Rep. of	34,988	39,634	42,999	8,279	6,049	6,770	10.7	7.1	7.4
Singapore	-	-	-	-	-	-	-	-	-
Taipei, China	-	-	-	-	-	-	-	-	-
PRC and MONGOLIA	52,554	60,851	69,695	6,998	8,451	8,791	11.6	12.1	9.6
China, People's Rep. of	52,554	60,851	69,321	6,998	8,451	8,724	11.6	12.1	9.6
Mongolia	375	67	17.1
SOUTHEAST ASIA	143,480	163,822	178,156	21,753	22,140	25,636	19.9	17.6	17.6
Cambodia	-	-	-	-	-	-	-	-	-
Indonesia	67,011	76,110	84,385	9,261	10,752	11,709	31.0	32.6	32.1
Lao PDR	1,775	1,879	1,922	10	10	11	9.2	8.9	...
Malaysia	16,063	17,780	19,837	3,570	3,042	3,072	10.3	7.6	6.6
Philippines	30,424	32,224	32,589	3,590	3,396	4,888	27.0	23.0	27.7
Thailand	28,208	35,828	39,424	5,321	4,941	5,956	17.0	13.1	13.4
Viet Nam, Soc. Rep. of	-	-	-	-	-	-	-	-	-
SOUTH ASIA	113,908	120,907	127,948	10,055	10,709	10,142	24.7	24.9	23.0
Afghanistan	-	-	-	-	-	-	-	-	-
Bangladesh	12,233	12,906	13,189	777	597	582	28.5	20.3	17.1
Bhutan	84	86	84	5	7	6	5.1	7.9	...
India ^c	68,698	71,642	76,983	6,850	7,543	6,637	26.7	29.0	25.6
Maldives	78	81	97	9	8	7	4.8	4.0	3.7
Myanmar ^c	4,673	4,853	5,326	61	80	54	9.9	11.3	...
Nepal	1,640	1,770	1,797	71	66	67	17.6	13.7	11.7
Pakistan	20,659	23,022	24,072	1,892	1,978	2,311	22.9	21.1	23.3
Sri Lanka	5,844	6,547	6,401	389	431	479	14.0	13.9	12.5
PACIFIC ISLAND DMCs	3,289	3,448	4,365	685	632	763	23.6	20.1	23.3
Cook Islands	-	-	-	-	-	-	-	-	-
Fiji	409	358	337	107	102	84	11.6	11.3	8.9
Kiribati	-	-	-	-	-	-	-	-	-
Marshall Islands	-	-	-	-	-	-	-	-	-
Micronesia, Fed. States of	-	-	-	-	-	-	-	-	-
Papua New Guinea	2,573	2,735	3,736	557	508	660	34.6	27.4	30.3
Solomon Islands	122	130	91	12	14	11	11.6	11.3	...
Tonga	53	45	43	2	2	2	3.1	2.8	3.0
Tuvalu	-	-	-	-	-	-	-	-	-
Vanuatu	40	39	40	2	2	2	2.1	1.2	...
Western Samoa	92	141	118	6	6	5	5.9	6.9	9.2
T O T A L	348,219	388,661	423,163	47,770	47,982	52,101	16.4	14.7	13.9

- Not reporting.

... Data not available.

a Debt outstanding is as of end of year which covers long and short-term debt of public and private entities in the country as well as the use of IMF credit.

b Service payments include yearly payments on principal and interest on long-term debt, IMF repurchases and charges, and interest payments on short-term debt. Debt-service ratio is the percentage of service payments to exports of goods and services (including workers' remittances).

c The long-term debt data are on fiscal year basis.

Source: World Bank, *World Debt Tables* 1993-94.

BANK OPERATIONAL DATA

**Table 8
LOAN APPROVALS BY COUNTRY AND TOTAL PROJECT COSTS, 1993**

Country/Project	Amounts in \$ Million			Date of Approval
	OCR	ADF	Total Project Cost ^a	
BANGLADESH				
Second Water Supply and Sanitation	—	31.00	43.00	16 Nov. 93
Secondary Education Development	—	72.00	90.00	23 Nov. 93
Road Overlay and Improvement	—	68.00	105.50	9 Dec. 93
Khulna-Jessore Drainage Rehabilitation	—	50.00	62.70	14 Dec. 93
Southwest Area Water Resources Development	—	3.15	4.77	16 Dec. 93
Third Natural Gas Development	—	107.00	198.60	21 Dec. 93
Sub-total	—	331.15	504.57	
BHUTAN				
East-West Highway Maintenance	—	5.20	6.50	18 Nov. 93
Sub-total	—	5.20	6.50	
CHINA, PEOPLE'S REP. OF				
Hefei-Jiujiang Railway	110.00	—	378.00	30 Mar. 93
Guangzhou Pumped Storage Stage II	200.00	—	455.76	3 Aug. 93
Telecommunications	100.00	—	175.00	17 Aug. 93
Fertilizer Industry Restructuring (Sector)	250.00	—	565.00	24 Aug. 93
Hunan Expressway	74.00	—	201.80	9 Nov. 93
Jilin Expressway	126.00	—	423.50	9 Nov. 93
Tangshan and Chengde Environmental Improvement	140.00	—	237.00	25 Nov. 93
China Agribusiness Development Trust and Investment Corporation	50.00	—	—	9 Dec. 93
Sub-total	1,050.00	—	2,436.06	
INDIA				
Gas Flaring Reduction	300.00	—	2,976.00	30 Mar. 93
National Highways	245.00	—	308.80	29 Nov. 93
Bombay-Vadodara Expressway Technical Assistance	12.70	—	14.60	2 Dec. 93
20th Century Finance Corporation Limited ^b	20.00	—	—	7 Dec. 93
ICDS Limited ^b	10.00	—	—	7 Dec. 93
Infrastructure Leasing and Financial Services Limited ^b	15.00	—	—	7 Dec. 93
Kotak Mahindra Finance Limited ^b	15.00	—	—	7 Dec. 93
Gas Rehabilitation and Expansion	260.00	—	1,008.00	7 Dec. 93
Sub-total	877.70	—	4,307.40	
INDONESIA				
East Indonesia Airports	110.00	—	184.00	25 Mar. 93
Second Development Finance Loan	200.00	—	500.00	30 Mar. 93
P.T. Wiraswasta Gemilang ^b	17.00	—	84.26	22 Apr. 93
Third Local Roads	200.00	—	466.00	25 May 93
Second Telecommunications	195.00	—	610.00	1 June 93
Flores Emergency Reconstruction	—	26.00	43.70	1 July 93
Mangrove Rehabilitation and Management in Sulawesi	—	8.08	13.42	9 Sep. 93
Higher Education	140.00	—	235.00	21 Sep. 93
Sustainable Agriculture Development in Irian Jaya	—	28.00	47.03	26 Oct. 93
Power XXIII	275.00	—	601.60	25 Nov. 93
P.T. Sunnymas Prima Agung ^b	9.00	—	50.00	7 Dec. 93
Eastern Islands Urban Development Sector	85.00	—	142.00	21 Dec. 93
Sub-total	1,231.00	62.08	2,977.01	

a Total project cost includes Bank, government and co-financiers' contributions. Since project cost for credit lines and program loans are not known at approval stage, these are estimates.

b Private sector loan without government guarantee.

Country/Project	Amounts in \$ Million			
	OCR	ADF	Total Project Cost ^a	Date of Approval
LAO PDR				
Sixth Road Improvement	-	26.00	33.00	1 June 93
Airports Improvement	-	15.00	44.80	18 Nov. 93
Northern Provincial Towns Water Supply and Sanitation	-	13.00	16.30	18 Nov. 93
Industrial Tree Plantation	-	11.20	14.05	22 Dec. 93
Sub-total	-	65.20	108.15	
MALAYSIA				
Second Pahang Barat Integrated Agriculture Development	28.50	-	86.51	29 June 93
Sub-total	28.50	-	86.51	
MALDIVES				
Second Malé Port	-	8.80	10.41	1 Apr. 93
Sub-total	-	8.80	10.41	
MARSHALL ISLANDS				
Emergency Typhoon Rehabilitation Assistance Program	-	0.50	3.20	28 Jan. 93
Basic Education Development	-	8.00	11.57	9 Sep. 93
Majuro Water Supply	-	0.70	0.80	9 Sep. 93
Sub-total	-	9.20	15.57	
MICRONESIA, FED. STATES OF				
Fisheries Development	-	6.50	7.50	19 Oct. 93
Sub-total	-	6.50	7.50	
MONGOLIA				
Industrial Sector Program	-	30.00	75.00	17 Aug. 93
Ulaanbaatar Airport	-	36.00	49.00	12 Oct. 93
Employment Generation	-	3.00	7.50	16 Dec. 93
Sub-total	-	69.00	131.50	
NEPAL				
Industrial Sector Program	-	20.58	51.45	27 Apr. 93
Microcredit Project for Women	-	5.00	9.63	24 June 93
Kathmandu Urban Development	-	12.00	16.00	29 June 93
Sub-total	-	37.58	77.08	
PAKISTAN				
Fauji Oil Terminal and Distribution Company Limited ^b	19.00	-	82.00	30 Sep. 93
Urban Water Supply and Sanitation	-	72.00	95.80	4 Nov. 93
Population	-	25.00	39.00	2 Dec. 93
Middle School	-	78.01	100.56	2 Dec. 93
Pehur High-Level Canal	-	127.60	163.00	22 Dec. 93
Sub-total	19.00	302.61	480.36	

a Total project cost includes Bank, government and co-financiers' contributions. Since project cost for credit lines and program loans are not known at approval stage, these are estimates.

b Private sector loan without government guarantee.

Country/Project	Amounts in \$ Million			
	OCR	ADF	Total Project Cost ^a	Date of Approval
PAPUA NEW GUINEA				
Higher Education	—	19.90	28.03	1 Apr. 93
Population and Family Planning	—	7.11	33.02	1 Apr. 93
Sub-total	—	27.01	61.05	
PHILIPPINES				
Hopewell Power (Philippines) Corporation ^b	40.00	—	973.00	18 May 93
Batangas Power Corporation ^b	26.50	—	122.68	18 May 93
Bukidnon Resources Co., Inc. ^b	4.60	—	23.00	21 Sep. 93
Nonformal Education	—	25.20	31.50	30 Sep. 93
Primofina Oleochemicals, Inc. ^b	15.00	—	72.18	9 Nov. 93
Municipal Water Supply	43.20	—	72.00	25 Nov. 93
Power Transmission	164.00	—	259.30	14 Dec. 93
Sub-total	293.30	25.20	1,553.66	
SOLOMON ISLANDS				
Emergency Infrastructure Rehabilitation	—	0.50	6.50	18 Feb. 93
Sub-total	—	0.50	6.50	
SRI LANKA				
Second Water Supply and Sanitation	—	40.00	51.20	17 June 93
Secondary Education Development	—	31.00	40.70	24 Aug. 93
Financial Management Training	—	13.00	16.20	29 Nov. 93
Sub-total	—	84.00	108.10	
THAILAND				
Thai Petroleum Pipeline Company Ltd. ^b	50.00	—	421.10	17 June 93
Second Rural Telecommunications	84.10	—	373.30	29 June 93
Fourth Power Transmission (Sector)	115.60	—	405.80	19 Aug. 93
Eighth Power Distribution (Sector)	134.60	—	534.00	19 Aug. 93
Second Erawan Gas Transmission	100.00	—	671.00	2 Dec. 93
Sub-total	484.30	—	2,405.20	
VIET NAM, SOC. REP. OF				
Irrigation and Flood Protection Rehabilitation	—	76.50	95.60	26 Oct. 93
Road Improvement	—	120.00	141.00	29 Nov. 93
Ho Chi Minh City Water Supply and Sanitation Rehabilitation	—	65.00	81.00	29 Nov. 93
Sub-total	—	261.50	317.60	
WESTERN SAMOA				
Afulilo Hydroelectric Power (Supplementary)	—	2.00	6.60	22 Apr. 93
Sub-total	—	2.00	6.60	
T O T A L	3,983.80	1,297.53	15,249.75	

a Total project cost includes Bank, government and co-financiers' contributions. Since project cost for credit lines and program loans are not known at approval stage, these are estimates.

b Private sector loan without government guarantee.

Table 9
LOAN APPROVALS BY SECTOR: THREE-YEAR MOVING AVERAGES, 1968-1970 – 1991-1993

	Total Lending ^a (\$ million)	Agriculture and Agro-Industry	Energy	Finance	Industry & Non-Fuel Minerals	Transport & Communications	Social Infrastructure	Multi-sector & Others
(Per Cent of Total Lending)								
Average during								
1968-1970	128.44	19.48	11.98	23.36	15.06	24.03	6.10	0.00
1969-1971	199.25	20.47	25.38	19.57	8.69	21.68	4.20	0.00
1970-1972	271.92	15.68	33.06	13.97	5.04	21.48	10.75	0.00
1971-1973	330.53	15.78	32.18	15.49	0.42	23.88	12.25	0.00
1972-1974	428.42	18.76	26.71	15.06	4.02	21.32	14.12	0.00
1973-1975	543.16	27.87	23.03	16.73	4.25	17.68	10.44	0.00
1974-1976	661.30	29.27	21.35	17.44	5.48	16.61	9.85	0.00
1975-1977	774.22	30.51	22.02	15.46	4.19	16.97	10.85	0.00
1976-1978	940.36	27.42	21.53	14.37	7.25	15.98	13.45	0.00
1977-1979	1,098.92	29.86	24.03	11.81	5.62	12.10	16.55	0.04
1978-1980	1,282.01	30.95	24.88	10.96	3.93	12.39	16.84	0.06
1979-1981	1,454.96	32.56	27.21	10.72	0.90	9.41	19.11	0.09
1980-1982	1,598.97	34.00	27.71	10.00	0.74	11.53	15.97	0.06
1981-1983	1,751.46	33.68	26.60	10.61	2.36	7.52	18.27	0.96
1982-1984	1,937.03	34.18	28.98	7.01	1.91	12.12	14.36	1.43
1983-1985	1,978.52	32.42	24.63	6.50	1.87	12.75	20.30	1.53
1984-1986	2,013.77	35.46	25.26	4.65	0.34	14.40	17.48	2.40
1985-1987	2,081.84	30.63	17.47	11.24	3.06	20.54	15.24	1.81
1986-1988	2,527.67	26.74	18.64	12.76	8.03	21.14	11.25	1.44
1987-1989	3,069.21	22.25	16.33	17.08	7.16	21.83	14.53	0.82
1988-1990	3,580.43	25.72	20.69	12.61	4.91	19.29	15.09	1.70
1989-1991	4,125.48	25.24	25.98	10.80	3.81	17.89	14.82	1.45
1990-1992	4,620.75	21.36	28.85	9.40	3.96	20.55	12.78	3.09
1991-1993	5,057.15	13.71	31.13	8.94	5.56	23.39	14.07	3.20
Cumulative (1968-1993)	47,740.24	24.19	25.48	10.75	4.29	18.77	14.70	1.82

a Total column may not tally due to rounding.

Table 10
SECTORAL DISTRIBUTION OF LOANS, 1993^a
(amounts in \$ million)

Sector	O C R		A D F		T O T A L	
	No.	Amount	No.	Amount	No. ^b	Amount
Agriculture and Agro-Industry	3	42.10	10	319.03	13	361.13
Energy	11	1,665.70	2	109.00	13	1,774.70
Industry and Non-Fuel Minerals	3	282.00	2	50.58	5	332.58
Finance	6	310.00	-	-	6	310.00
Transport and Communications	11	1,275.80	7	279.00	18	1,554.80
Social Infrastructure	3	268.20	16	512.92	19	781.12
Multisector	1	140.0	3	27.00	4	167.00
T O T A L	38	3,983.80	40	1,297.53	78	5,281.33

a Includes loans to private sector without government guarantee.

b A project which is financed from both sources is counted as one project.

Table 11
1993 LOAN APPROVALS, BY SECTOR

CONTINUED

Country	Project Name	Amounts in \$ million		
		OCR	ADF	Total
AGRICULTURE AND AGRO-INDUSTRY				
BAN	Khulna-Jessore Drainage Rehabilitation	-	50.00	50.00
BAN	Southwest Area Water Resources Development	-	3.15	3.15
FSM	Fisheries Development	-	6.50	6.50
INO	Mangrove Rehabilitation and Management in Sulawesi	-	8.08	8.08
INO	Sustainable Agriculture Development in Irian Jaya	-	28.00	28.00
INO	P.T. Sunnymas Prima Agung ^a	9.00	-	9.00
LAO	Industrial Tree Plantation	-	11.20	11.20
MAL	Second Pahang Barat Integrated Agriculture Development	28.50	-	28.50
MON	Employment Generation	-	3.00	3.00
NEP	Microcredit for Women	-	5.00	5.00
PAK	Pehur High-Level Canal	-	127.60	127.60
PHI	Bukidnon Resources Co., Inc. ^a	4.60	-	4.60
VIE	Irrigation and Flood Protection Rehabilitation	-	76.50	76.50
	Sub-Total	42.10	319.03	361.13
ENERGY				
BAN	Third Natural Gas Development	-	107.00	107.00
IND	Gas Flaring Reduction	300.00	-	300.00
IND	Gas Rehabilitation and Expansion	260.00	-	260.00
INO	Power XXIII	275.00	-	275.00
PHI	Hopewell Power (Philippines) Corporation ^a	40.00	-	40.00
PHI	Batangas Power Corporation ^a	26.50	-	26.50
PHI	Power Transmission	164.00	-	164.00
PRC	Guangzhou Pumped Storage Stage II	200.00	-	200.00
THA	Thai Petroleum Pipeline Company Ltd. ^a	50.00	-	50.00
THA	Fourth Power Transmission (Sector)	115.60	-	115.60
THA	Eighth Power Distribution (Sector)	134.60	-	134.60
THA	Second Erawan Gas Transmission	100.00	-	100.00
SAM	Afulilo Hydroelectric Power (Supplementary)	-	2.00	2.00
	Sub-Total	1,665.70	109.00	1,774.70
INDUSTRY AND NON-FUEL MINERALS				
INO	P.T. Wiraswasta Gemilang ^a	17.00	-	17.00
MON	Industrial Sector Program	-	30.00	30.00
NEP	Industrial Sector Program	-	20.58	20.58
PHI	Primofina Oleochemicals, Inc. ^a	15.00	-	15.00
PRC	Fertilizer Industry Restructuring (Sector)	250.00	-	250.00
	Sub-Total	282.00	50.58	332.58
FINANCE				
IND	20th Century Finance Corporation Limited ^a	20.00	-	20.00
IND	ICDS Limited ^a	10.00	-	10.00
IND	Infrastructure Leasing and Financial Services Limited ^a	15.00	-	15.00
IND	Kotak Mahindra Finance Limited ^a	15.00	-	15.00
INO	Second Development Finance	200.00	-	200.00
PRC	China Agribusiness Development Trust and Investment Corporation	50.00	-	50.00
	Sub-Total	310.00	-	310.00

a Private sector loan without government guarantee.

Key: BAN (Bangladesh), BHU (Bhutan), PRC (People's Republic of China), IND (India), INO (Indonesia), LAO (Lao People's Democratic Republic), MLD (Maldives), MAR (Marshall Islands), FSM (Federated States of Micronesia), MON (Mongolia), NEP (Nepal), PAK (Pakistan), PNG (Papua New Guinea), PHI (Philippines), SRI (Sri Lanka), THA (Thailand), VIE (Viet Nam), SAM (Western Samoa).

Country	Project Name	Amounts in \$ million		
		OCR	ADF	Total
TRANSPORT AND COMMUNICATIONS				
BAN	Road Overlay and Improvement	-	68.00	68.00
BHU	East-West Highway Maintenance	-	5.20	5.20
IND	National Highways	245.00	-	245.00
IND	Bombay-Vadodara Expressway Technical Assistance	12.70	-	12.70
INO	East Indonesia Airports	110.00	-	110.00
INO	Third Local Roads	200.00	-	200.00
INO	Second Telecommunications	195.00	-	195.00
LAO	Sixth Road Improvement	-	26.00	26.00
LAO	Airports Improvement	-	15.00	15.00
MLD	Second Male' Port	-	8.80	8.80
MON	Ulaanbaatar Airport	-	36.00	36.00
PAK	Fauji Oil Terminal and Distribution Company Limited ^a	19.00	-	19.00
PRC	Hefei-Jiujiang Railway	110.00	-	110.00
PRC	Telecommunications	100.00	-	100.00
PRC	Hunan Expressway	74.00	-	74.00
PRC	Jilin Expressway	126.00	-	126.00
THA	Second Rural Telecommunications	84.10	-	84.10
VIE	Road Improvement	-	120.00	120.00
Sub-Total		<u>1,275.80</u>	<u>279.00</u>	<u>1,554.80</u>
SOCIAL INFRASTRUCTURE				
BAN	Second Water Supply and Sanitation	-	31.00	31.00
BAN	Secondary Education Development	-	72.00	72.00
INO	Higher Education	140.00	-	140.00
INO	Eastern Islands Urban Development Sector	85.00	-	85.00
LAO	Northern Provincial Towns Water Supply and Sanitation	-	13.00	13.00
MAR	Basic Education Development	-	8.00	8.00
MAR	Majuro Water Supply	-	0.70	0.70
NEP	Kathmandu Urban Development	-	12.00	12.00
PAK	Urban Water Supply and Sanitation	-	72.00	72.00
PAK	Population	-	25.00	25.00
PAK	Middle School	-	78.01	78.01
PHI	Nonformal Education	-	25.20	25.20
PHI	Municipal Water Supply	43.20	-	43.20
PNG	Higher Education	-	19.90	19.90
PNG	Population and Family Planning	-	7.11	7.11
SRI	Second Water Supply and Sanitation	-	40.00	40.00
SRI	Secondary Education Development	-	31.00	31.00
SRI	Financial Management Training	-	13.00	13.00
VIE	Ho Chi Minh City Water Supply and Sanitation Rehabilitation	-	65.00	65.00
Sub-Total		<u>268.20</u>	<u>512.92</u>	<u>781.12</u>
MULTISECTOR				
PRC	Tangshan and Chengde Environmental Improvement	140.00	-	140.00
INO	Flores Emergency Reconstruction	-	26.00	26.00
MAR	Emergency Typhoon Rehabilitation Assistance Program	-	0.50	0.50
SOL	Emergency Infrastructure Rehabilitation	-	0.50	0.50
Sub-Total		<u>140.00</u>	<u>27.00</u>	<u>167.00</u>
T O T A L		<u>3,983.80</u>	<u>1,297.53</u>	<u>5,281.33</u>

a. Private sector loan without government guarantee.

Key: BAN (Bangladesh), BHU (Bhutan), PRC (People's Republic of China), IND (India), INO (Indonesia), LAO (Lao People's Democratic Republic), MLD (Maldives), MAR (Marshall Islands), FSM (Federated States of Micronesia), MON (Mongolia), NEP (Nepal), PAK (Pakistan), PNG (Papua New Guinea), PHI (Philippines), SRI (Sri Lanka), THA (Thailand), VIE (Viet Nam), SAM (Western Samoa).

Table 12
LOAN APPROVALS BY COUNTRY AND BY SOURCE OF FUNDS, 1993^a
(amounts in \$ million)

Country	O C R		A D F		TOTAL
	Amount	%	Amount	%	
Afghanistan	-	-	-	-	-
Bangladesh	-	-	331.15	25.52	331.15
Bhutan	-	-	5.20	0.40	5.20
Cambodia	-	-	-	-	-
China, People's Rep. of	1,050.00	26.36	-	-	1,050.00
Cook Islands	-	-	-	-	-
Fiji	-	-	-	-	-
Hong Kong	-	-	-	-	-
India	877.70	22.03	-	-	877.70
Indonesia	1,231.00	30.90	62.08	4.79	1,293.08
Kiribati	-	-	-	-	-
Korea, Rep. of	-	-	-	-	-
Lao PDR	-	-	65.20	5.03	65.20
Malaysia	28.50	0.71	-	-	28.50
Maldives	-	-	8.80	0.68	8.80
Marshall Islands	-	-	9.20	0.71	9.20
Micronesia, Fed. States of	-	-	6.50	0.50	6.50
Mongolia	-	-	69.00	5.32	69.00
Myanmar	-	-	-	-	-
Nepal	-	-	-	-	-
Pakistan	19.00	0.48	37.58	2.90	321.61
302.61			23.32		
Papua New Guinea	-	-	27.01	2.08	27.01
Philippines	293.30	7.36	25.20	1.94	318.50
Singapore	-	-	-	-	-
Solomon Islands	-	-	0.50	0.04	0.50
Sri Lanka	-	-	84.00	6.47	84.00
Taipei, China	-	-	-	-	-
Thailand	484.30	12.16	-	-	484.30
Tonga	-	-	-	-	-
Tuvalu	-	-	-	-	-
Vanuatu	-	-	-	-	-
Viet Nam, Soc. Rep. of	-	-	261.50	20.15	261.50
Western Samoa	-	-	2.00	0.15	2.00
T O T A L	3,983.80	100.00	1,297.53	100.00	5,281.33

a Includes loans to private sector without government guarantee.

Table 13

LENDING - DISTRIBUTION AMONG DEVELOPING MEMBER COUNTRIES, 1968-1993

Percentage of Value of Loans Approved in Period

Country	1968-1972		1973-1977		1978-1982	
	OCR	ADF	OCR	ADF	OCR	ADF
Afghanistan	-	2.6	-	7.1	-	0.9
Bangladesh	-	0.0	0.5	27.3	-	32.8
Bhutan	-	-	-	-	-	-
Cambodia	-	0.8	-	-	-	-
China, People's Rep. of	-	-	-	-	-	-
Cook Islands	-	-	-	-	-	0.1
Fiji	0.6	-	0.1	-	0.8	-
Hong Kong	2.9	-	1.7	-	0.8	-
India	-	-	-	-	-	-
Indonesia	-	34.6	17.2	4.5	28.4	2.1
Kiribati	-	-	-	0.2	-	-
Korea, Rep. of	26.2	1.8	20.9	-	18.4	-
Lao PDR	-	2.2	-	0.8	-	1.1
Malaysia	10.6	1.6	11.0	-	9.6	-
Maldives	-	-	-	-	-	0.1
Marshall Islands	-	-	-	-	-	-
Micronesia, Fed. States of	-	-	-	-	-	-
Mongolia	-	-	-	-	-	-
Myanmar	-	-	0.3	13.6	-	11.4
Nepal	0.3	17.7	-	9.1	-	7.3
Pakistan	8.9	9.0	12.8	19.2	5.1	27.1
Papua New Guinea	-	7.1	0.8	2.2	0.8	1.9
Philippines	13.5	1.7	21.2	1.2	19.0	2.7
Singapore	12.1	1.5	1.4	-	1.1	-
Solomon Islands	-	-	-	1.0	-	0.2
Sri Lanka	1.7	11.1	-	8.4	-	8.6
Taipei, China	13.3	-	-	-	-	-
Thailand	9.9	-	11.9	0.8	16.0	2.7
Tonga	-	-	-	0.2	-	0.2
Vanuatu	-	-	-	-	-	0.1
Viet Nam, Soc. Rep. of	-	5.6	0.2	3.0	-	-
Western Samoa	-	2.7	-	1.4	-	0.7
Regional	-	-	-	-	-	-
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
Loan Approvals (\$ million)	753.9	201.5	2,326.9	964.9	4,856.2	2,351.1

1983-1987		1988-1992		1993		Country
OCR	ADF	OCR	ADF	OCR	ADF	
-	-	-	-	-	-	Afghanistan
-	31.7	-	25.5	-	25.5	Bangladesh
-	0.8	-	0.2	-	0.4	Bhutan
-	-	-	1.0	-	-	Cambodia
2.0	-	12.5	-	26.4	-	China, People's Rep. of
-	0.1	-	0.1	-	-	Cook Islands
0.2	-	0.4	-	-	-	Fiji
-	-	-	-	-	-	Hong Kong
9.5	-	25.6	-	22.0	-	India
33.7	3.7	30.6	5.7	30.9	4.8	Indonesia
-	0.1	-	-	-	-	Kiribati
9.2	-	0.8	-	-	-	Korea, Rep. of
-	1.9	-	3.5	-	5.0	Lao PDR
8.3	-	3.1	-	0.7	-	Malaysia
-	0.2	-	0.2	-	0.7	Maldives
-	-	-	0.1	-	0.7	Marshall Islands
-	-	-	-	-	0.5	Micronesia, Fed. States of
-	-	-	0.5	-	5.3	Mongolia
-	3.4	-	-	-	-	Myanmar
-	9.5	-	7.3	-	2.9	Nepal
15.9	34.3	9.9	29.0	0.5	23.3	Pakistan
1.3	1.6	0.6	2.4	-	2.1	Papua New Guinea
12.1	1.4	10.7	11.7	7.4	1.9	Philippines
-	-	-	-	-	-	Singapore
-	0.7	-	0.1	-	-	Solomon Islands
-	9.8	-	11.7	-	6.5	Sri Lanka
-	-	-	-	-	-	Taipei, China
7.8	-	5.5	-	12.1	-	Thailand
-	0.1	-	0.3	-	-	Tonga
-	0.3	-	0.1	-	-	Vanuatu
-	-	-	-	-	20.2	Viet Nam, Soc. Rep. of
-	0.4	-	0.6	-	0.2	Western Samoa
-	-	0.3	-	-	-	Regional
100.0	100.0	100.0	100.0	100.0	100.0	TOTAL
6,755.7	3,617.3	14,172.0	6,429.4	3,983.8	1,297.5	Loan Approvals (\$ million)

Table 14
PROJECTS INVOLVING CO-FINANCING IN 1993
(amounts in \$ million)

Project	Country	Bank Loan		Amount of Co-Financing	Sources of Co-Financing
		OCR	ADF		
Third Natural Gas Development	Bangladesh	—	107.00	10.10	OECF
Special Rehabilitation Assistance ^a	Cambodia	—	67.70	3.20	SIDA
Gas Flaring Reduction	India	300.00	—	450.00 181.80 711.80	World Bank Eximbank of Japan Export and Suppliers' credit
Gas Rehabilitation and Expansion	India	260.00	—	170.00 174.00	Eximbank of Japan Export and Suppliers' credit
P.T. WIRASWASTA GEMILANG INDONESIA ^b	Indonesia	17.00	—	20.00 9.00 7.00	CDC FMO AFIC
Second Telecommunications	Indonesia	195.00	—	75.00 38.00	KfW Eximbank of Japan
Power XXIII	Indonesia	275.00	—	49.00	Export Credit
P.T. SUNNYMAS PRIMA AGUNG ^b	Indonesia	9.00	—	4.00	AFIC
Airports Improvement	Lao PDR	—	15.00	2.00 4.10 1.00 2.00 6.80 8.00	France Japan (JICA) NORAD Thailand NDF OPEC Fund
Microcredit Project for Women	Nepal	—	5.00	2.00	Norway
Fauji Oil Terminal & Distribution Co. Ltd. ^b	Pakistan	19.00	—	18.00 3.00 3.80 5.00	CDC KDB Intl. (Singapore) ^c KEB (Asia) Finance Ltd. ^c AFIC ^c
Population and Family Planning	Papua New Guinea	—	7.11	6.90 10.00	World Bank AIDAB
Forestry Sector ^a	Philippines	50.00	50.00	85.00	OECF
Hopewell Power (Philippines) Corp. ^b	Philippines	40.00	—	172.40 367.30 83.30 35.00	Eximbank of US Eximbank of Japan IFC CDC
Batangas Power Corporation ^b	Philippines	26.50	—	50.00	OPIC
Bukidnon Resources Co. Inc. ^b	Philippines	4.60	—	6.80 2.20	CDC AFIC
Nonformal Education	Philippines	—	25.20	1.60	Norway
Primofina Oleochemicals, Inc. ^b	Philippines	15.00	—	7.50 10.00 6.00	AFIC ^c CDC FMO
Thai Petroleum Pipeline Co. Ltd. ^b	Thailand	50.00	—	170.00	Commercial banks
Second Rural Telecommunications	Thailand	84.10	—	41.60	OECF
Eighth Power Distribution (Sector)	Thailand	134.60	—	110.80	World Bank/Bilaterals
Second Erawan Gas Transmission	Thailand	100.00	—	100.00 46.00 155.00 29.00	Eximbank of Japan EIB World Bank Export Credit
Road Improvement	Viet Nam, Soc. Rep. of	—	120.00	36.00	OECF
Afulilo Hydroelectric (Suppl.)	Western Samoa	—	2.00	1.00 1.60	IDA EC
TOTAL (24)		1,579.80	399.01	3,493.60	

a Bank loan approved in 1992.

b Private sector loan.

c Complementary Financing Scheme.

Table 15
PRIVATE SECTOR INVESTMENTS APPROVED IN 1993^a
(amounts in \$ million)

Country	Equity Investments	Underwriting	Loans	Total Bank Funds	Complementary Loans	Total
India						
Twentieth Century Capital Corp. ^b	1.10	-	-	1.10	-	1.10
Twentieth Century Finance Corp. Ltd.	-	-	20.00	20.00	-	20.00
ICDS Limited	-	-	10.00	10.00	-	10.00
Infrastructure Leasing and Financial Services Ltd.	-	-	15.00	15.00	-	15.00
Kotak Mahindra Finance Ltd.	-	-	15.00	15.00	-	15.00
Indonesia						
P.T. Wiraswasta Gemilang	1.50	-	17.00	18.50	-	18.50
P.T. Sunnymas Prima Agung	2.00	-	9.00	11.00	-	11.00
Pakistan						
Fauji Oil Terminal and Distribution Co. Ltd.	1.00	-	19.00	20.00	11.80	31.80
Philippines						
Hopewell Power (Philippines) Corp.	10.00	-	40.00	50.00	-	50.00
Batangas Power Corp.	3.00	-	26.50	29.50	-	29.50
Bukidnon Resources Co., Inc.	0.90	-	4.60	5.50	-	5.50
Primofina Oleochemicals, Inc.	3.00	-	15.00	18.00	7.50	25.50
Thailand						
Thai Petroleum Pipeline Co. Ltd.	-	-	50.00	50.00	-	50.00
Thai Rating and Information Services Co. Ltd.	0.20	-	-	0.20	-	0.20
TOTAL		22.70	0.00	241.10	263.80	19.30
283.10						

a Approved by the Board of Directors; excludes investments under lines of equity approved by Management.

b Supplementary approval.

Table 16
ANNUAL PRIVATE SECTOR OPERATIONS, 1986-1993
(amounts in \$ million)

Year	Public Sector Loans ^a (1)		Direct Private Sector Loans & Investments (2)			Total of (1) and (2)		Private Sector's Share in Bank's Total Annual Lending %	
	No.	Total Amount	Equity Amount	Loan Amount	No.	Total Amount	No.	Amount	
1986	2	101.0	6.0	6.4	4	12.4	6	113.4	5.6
1987	6	625.0	27.6	20.5	7	48.1	13	673.1	27.8
1988	5	392.5	35.6	58.0	11	93.6	16	486.1	15.4
1989	5	705.0	67.5	95.7	19	163.2	24	868.2	23.6
1990	5	256.0	35.9	78.8	17	114.7	22	370.7	9.3
1991	5	285.0	20.5	156.8	16	177.3	21	462.3	9.6
1992	4	671.5	15.9	50.0	5	65.9	9	737.4	14.4
1993	2	250.0	22.7	241.1	14	263.8	16	513.8	9.7

a Channeled to the private sector through financial intermediaries.

Table 17
PRIVATE SECTOR INVESTMENTS BY COUNTRY^a, 1983-1993
(amounts in \$ million)

Country	Number of Projects	Loans	Equity Investments and Lines of Equity	Equity Underwriting	Total Bank Funds	Complementary Loans	Total
Bangladesh	3	10.50	2.86	-	13.36	-	13.36
China, People's Rep. of	4	50.00	17.30	-	67.30	-	67.30
Fiji	1	-	0.25	-	0.25	-	0.25
India	12	135.70	16.97	-	152.67	5.00	157.67
Indonesia	13	91.00	19.35	6.00	116.35	63.50	179.85
Korea, Rep. of	3	-	8.96	-	8.96	-	8.96
Malaysia	1	-	2.00	-	2.00	-	2.00
Nepal	2	5.05	2.01	-	7.06	-	7.06
Pakistan	24	149.80	19.00	4.32	173.12	64.90	238.02
Philippines	14	147.90	26.91	-	174.81	47.50	222.31
Sri Lanka	5	1.00	4.89	-	5.89	-	5.89
Thailand	7	81.46	14.72	5.00	101.18	-	101.18
Regional	8	35.00	57.47	30.43	122.89	-	122.89
TOTAL^b	97	707.41	192.68	45.75	945.84	180.90	1,126.74

a Excluding facilities cancelled/withdrawn.

b Amounts may not total due to rounding.

Table 18

CONTRACTS AWARDED AND DISBURSEMENTS UNDER EFFECTIVE LOANS,^a 1968-1993
 (As of 31 December 1993)

(amounts in \$ million)

Year	No.	Cumulative Effective Loans ^b		Cumulative Contracts Awarded ^c		Cumulative Disbursements ^d	
		Amount ^d	Percentage of Cumulative Effective Loans	Amount	Percentage of Cumulative Effective Loans	Amount ^e	Percentage of Cumulative Effective Loans
1968	4	20	4.5	23	1.8	9	
1969	13	67	13.5	20	9.3	14	
1970	28	137	54.4	40	26.4	19	
1971	67	404	115.0	28	75.1	19	
1972	93	696	271.5	39	136.2	20	
1973	130	998	453.2	45	282.7	28	
1974	187	1,612	836.1	52	470.2	29	
1975	221	2,052	1,150.2	56	832.1	41	
1976	264	2,846	1,505.9	53	1,158.7	41	
1977	294	3,461	1,862.0	54	1,514.9	44	
1978	340	4,289	2,432.8	57	1,977.1	46	
1979	391	5,274	2,941.5	56	2,463.4	47	
1980	451	6,592	3,820.4	58	3,042.4	46	
1981	510	7,953	4,503.6	57	3,709.5	47	
1982	570	9,672	5,570.7	58	4,504.6	47	
1983	621	11,100	6,296.3	57	5,441.5	49	
1984	675	13,027	7,299.8	56	6,442.0	49	
1985	727	14,793	8,279.0	56	7,452.1	50	
1986	771	16,135	9,443.1	59	8,476.4	53	
1987	815	17,807	10,883.2	61	9,707.8	55	
1988	887	20,589	12,812.4	62	11,356.9	55	
1989	958	23,727	14,858.5	63	13,591.8	57	
1990	1,016	27,630	17,666.9	64	16,343.5	59	
1991	1,078	31,360	20,507.2	65	19,447.2	62	
1992	1,149	35,909	23,175.5	65	22,214.3	62	
1993	1,221	40,099	26,755.8	67	25,155.7	63	

^a After the signing of the loan agreement, certain requirements must be complied with for the loan to become effective.^b Includes private sector loans without government guarantee.^c Excludes private sector loans without government guarantee.^d Net of cancellations and amount transferred to subsequent loans.^e Includes interest and other charges financed during construction.

Table 19

NUMBER OF LOANS AND PROJECTS APPROVED AND UNDER ADMINISTRATION,
 PCRs CIRCULATED, PROJECTS COMPLETED, LOANS CLOSED AND PPARs CIRCULATED IN 1993
 (As of 31 December 1993)

Borrowing Country	Cumulative No. of Loans Approved ^a	Cumulative No. of Effective Loans	Cumulative No. of Projects Approved ^b	Cumulative No. of Blended Loans	Cumulative No. of Supplementary Loans	Cumulative No. of Co-Financed Projects	No. of Projects Under Administration ^c As of 31/12/93
Afghanistan	9	8	8	-	1	2	1
Bangladesh	111	104	103	3	4	41	48
Bhutan	10	9	10	-	-	5	7
Cambodia	2	2	2	-	-	1	1
China, People's Rep. of	31	24	31	-	-	6	28
Cook Islands	6	6	6	-	-	1	3
Fiji	12	12	12	-	-	5	3
Hong Kong	5	5	5	-	-	-	-
India	36	28	36	-	-	13	32
Indonesia	190	184	175	13	2	46	67
Kiribati	5	5	5	-	-	1	1
Korea, Rep. of	79	79	79	-	-	10	3
Lao PDR	30	27	28	-	2	15	14
Malaysia	72	71	70	1	1	11	13
Maldives	6	6	6	-	-	2	4
Marshall Islands	4	2	4	-	-	-	4
Micronesia, Fed. States of	1	0	1	-	-	-	1
Mongolia	5	3	5	-	-	1	4
Myanmar	32	32	28	2	2	12	1
Nepal	78	77	68	1	9	31	32
Pakistan	152	147	127	21	5	64	71
Papua New Guinea	41	38	32	9	-	6	12
Philippines	135	129	119	12	2	39	41
Singapore	14	14	14	-	-	2	-
Solomon Islands	13	13	13	-	-	5	2
Sri Lanka	72	71	66	1	4	19	30
Taipei, China	12	12	12	-	-	-	-
Thailand	67	64	64	2	1	33	15
Tonga	11	10	11	-	-	3	4
Vanuatu	6	6	5	-	1	2	1
Viet Nam, Soc. Rep. of	14	9	12	2	-	1	5
Western Samoa	25	23	21	-	3	10	4
Regional	1	1	1	-	-	-	1
T O T A L	1,287	1,221	1,179	67	37	387^e	453

a Includes Special Implementation Assistance Loans, Special Assistance, private sector loans, but excludes the loans withdrawn by borrowers before loan signing.

b Blended loans are counted as one project, supplementary loans and Special Implementation Assistance Loans are not counted as separate projects.

c Includes projects/loans which have been approved but still awaiting effectiveness, inactive loans, fully disbursed private sector loans without government guarantee but still under administration, and excludes projects/loans exclusively financed from other sources.

d Projects which were physically completed in 1993.

e The total number of projects co-financed did not necessarily tally because some projects had been co-financed by more than one source of co-financing.

No. of Loans Under Administration ^c as of 31/12/93	Cumulative No. of PCRs Circulated/ Prepared	No. of Projects Completed in 1993 ^d	No. of Closed Loans in 1993	No. of of PCRs Circulated in 1993	No. of PPARs Circulated in 1993	Borrowing Country
1 48 7	- 55 1	- 13 3	8 5 -	- 7 -	- 1 -	Afghanistan Bangladesh Bhutan
1 28 3	- 3 3	- 4 1	1 3 1	- 3 1	- - -	Cambodia China, People's Rep. of Cook Islands
3 - 32	6 5 4	- - 3	- - 2	1 - 3	1 - -	Fiji Hong Kong India
73 1 3	86 3 53	9 - 2	6 - 3	11 - 2	8 - -	Indonesia Kiribati Korea, Rep. of
14 13 4	9 37 4	2 2 -	1 3 -	- 2 1	1 3 1	Lao PDR Malaysia Maldives
4 1 4	- - 1	1 - 1	- - 1	- - 1	- - -	Marshall Islands Micronesia, Fed. States of Mongolia
1 33 76	24 33 50	2 2 9	2 2 5	2 2 6	1 4 2	Myanmar Nepal Pakistan
15 46 -	16 64 7	2 12 -	2 7 -	- 8 -	1 2 -	Papua New Guinea Philippines Singapore
2 30 -	11 27 1	- 4 -	- 4 -	- 4 -	- 2 -	Solomon Islands Sri Lanka Taipei, China
15 4 2	38 9 3	2 - -	3 - 1	3 1 1	1 - -	Thailand Tonga Vanuatu
5 5 1	5 15 -	- 1 -	- 1 -	- 3 -	- - -	Viet Nam, Soc. Rep. of Western Samoa Regional

475

573

75

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62

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Table 20

AMOUNTS OF LOANS APPROVED, CONTRACTS AWARDED AND DISBURSEMENTS

(As of 31 December 1993)

(amounts in \$ million)

Country	Cumulative Loan Amounts Approved ^a	Cumulative Net Effective Loans ^{b,c}	Contracts Awarded in 1993 ^{c,d}	Cumulative Contracts Awarded ^{c,d} As of 31/12/93
Afghanistan	95.10	29.06	-	34.21
Bangladesh	4,161.19	3,698.76	147.18	2,560.08
Bhutan	43.96	36.07	2.08	24.57
Cambodia	69.37	65.17	4.39	5.97
China, People's Rep. of	2,955.20	2,059.80	449.26	1,030.99
Cook Islands	12.15	12.39	0.55	10.57
Fiji	121.10	114.63	17.64	105.56
Hong Kong	101.50	94.50	-	94.50
India	5,145.00	4,250.93	482.19	1,818.43
Indonesia	10,349.45	9,033.39	934.88	5,828.08
Kiribati	4.90	3.80	-	3.35
Korea, Rep. of	2,323.38	1,855.08	1.01	1,867.69
Lao PDR	397.74	353.44	44.28	237.87
Malaysia	1,826.64	1,294.58	74.73	1,046.00
Maldives	33.88	35.20	3.12	20.24
Marshall Islands	16.15	7.66	0.96	0.96
Micronesia, Fed. States of	6.50	-	-	-
Mongolia	102.80	64.69	5.30	36.58
Myanmar	530.86	456.68	3.72	419.12
Nepal	1,150.27	986.17	89.82	692.55
Pakistan	7,356.47	6,925.25	783.73	4,486.12
Papua New Guinea	545.22	495.38	22.99	385.83
Philippines	5,063.00	4,085.21	206.50	2,960.06
Singapore	181.08	144.44	-	130.22
Solomon Islands	43.31	37.58	0.30	36.35
Sri Lanka	1,508.32	1,483.01	110.73	993.27
Taipei, China	100.39	91.14	-	90.28
Thailand	2,985.75	2,220.06	135.00	1,702.77
Tonga	29.25	26.77	1.42	16.39
Vanuatu	19.25	19.95	0.52	14.35
Viet Nam, Soc. Rep. of	306.10	25.43	-	27.96
Western Samoa	89.92	84.16	1.01	74.88
Regional	35.00	35.00	-	0.00
T O T A L	47,710.20	40,125.37	3,523.31	26,755.80

a Includes Special Assistance loans and private sector loans but excludes loans withdrawn before signing. The US dollar equivalent in accordance with the exchange rate prevailing within the Bank at the time of loan signing.

b Net refers to cancellation and refund of unused loan amounts.

c The US dollar equivalent is in accordance with the exchange rate prevailing within the Bank on 31 December 1993. The cumulative contracts awarded exceed the net effective loan amounts due to the following reasons:

(i) For countries without active loans, the base contract amount of loans that closed prior to computerization does not reflect the adjustment with regard to procurement data; i.e. Afghanistan;

(ii) For countries with active loans, the contract amount inputted is basically the percentage of bank-financed portion and each contract amount was adjusted upon completion of disbursement.

d Excluding private sector loans without government guarantee.

% of Cumulative Contracts Awarded to Cumulative Net Effective Loans	Disbursements in 1993	Cumulative Disbursements As of 31/12/93	% of Cumulative Disbursements to Cumulative Net Effective Loans	Country
117.73 ⁽⁶⁾	-	27.90	96.01	Afghanistan
69.21	229.61	2,529.88	68.40	Bangladesh
68.11	1.63	25.01	69.34	Bhutan
9.16	5.36	6.01	9.22	Cambodia
50.05	421.30	882.74	42.86	China, People's Rep. of
85.31	1.42	10.94	88.30	Cook Islands
92.08	2.30	89.23	77.84	Fiji
100.00	-	94.50	100.00	Hong Kong
42.78	222.70	1,466.97	34.51	India
64.52	672.16	5,439.85	60.22	Indonesia
88.21	-	3.38	88.95	Kiribati
100.68 ⁽⁶⁾	38.39	1,832.02	98.76	Korea, Rep. of
67.30	39.12	197.98	56.02	Lao PDR
80.80	57.36	980.93	75.77	Malaysia
57.49	2.44	18.85	53.55	Maldives
12.50	0.89	1.14	14.88	Marshall Islands
-	-	-	-	Micronesia, Fed. States of
56.55	11.26	37.28	57.63	Mongolia
91.77	4.57	411.83	90.18	Myanmar
70.23	66.75	639.95	64.89	Nepal
64.78	555.45	4,122.14	59.52	Pakistan
77.88	28.33	365.01	73.68	Papua New Guinea
72.93	294.22	2,950.21	72.22	Philippines
90.15	-	144.44	100.00	Singapore
96.72	3.05	36.93	98.27	Solomon Islands
66.98	125.85	948.63	63.97	Sri Lanka
99.06	-	91.14	100.00	Taipei, China
76.70	138.49	1,659.87	74.77	Thailand
61.23	1.80	15.30	57.15	Tonga
71.95	0.78	14.51	72.73	Vanuatu
110.00 ⁽⁶⁾	-	25.43	100.00	Viet Nam, Soc. Rep. of
88.98	4.53	74.02	87.95	Western Samoa
-	11.57	11.65	33.29	Regional
66.72	2,941.33	25,155.67	62.69	T O T A L

Table 21
DISTRIBUTION OF CONTRACTS AWARDED BY COUNTRY OF ORIGIN^a
ORDINARY CAPITAL RESOURCES

Country	1967 - 1976		1977 - 1986		1987 - 1993	
	Goods, Related Services & Civil Works %	Consulting Services %	Goods, Related Services & Civil Works %	Consulting Services %	Goods, Related Services & Civil Works %	Consulting Services %
Afghanistan	0.00	0.00	0.00	0.00	0.00	0.00
Australia	1.15	3.91	1.43	2.46	1.91	2.36
Austria	2.38	0.84	0.57	0.30	0.27	0.52
Bangladesh	0.00	0.00	0.00	0.03	0.00	0.00
Belgium	0.22	0.53	0.49	0.04	0.68	0.00
Bhutan	0.00	0.00	0.00	0.00	0.00	0.00
Canada	2.19	2.29	0.91	6.79	0.65	5.07
China, People's Rep. of	0.00	0.00	0.00	0.00	5.42	0.00
Cook Islands	0.00	0.00	0.00	0.00	0.00	0.00
Denmark	0.13	1.94	0.29	2.91	0.12	1.62
Fiji	0.09	0.00	0.24	0.00	0.21	0.04
Finland	0.05	0.00	0.04	0.31	0.35	0.03
France	3.78	6.05	2.02	2.98	1.85	5.97
Germany	7.57	10.36	4.79	4.34	5.38	7.25
Hong Kong	0.60	0.00	1.65	0.47	1.15	0.09
India	1.45	3.35	0.67	0.34	7.99	1.28
Indonesia	0.00	0.00	8.54	9.58	20.32	26.22
Italy	3.36	11.06	1.35	4.08	3.46	2.69
Japan	42.33	7.33	22.82	12.58	13.02	7.10
Kiribati	0.00	0.00	0.00	0.00	0.00	0.00
Korea, Rep. of	9.67	1.31	16.74	4.06	6.90	1.22
Lao PDR	0.00	0.00	0.00	0.00	0.00	0.00
Luxembourg	0.00	0.00	0.00	0.00	0.00	0.00
Malaysia	3.32	0.17	4.86	0.88	3.80	0.89
Maldives	0.00	0.00	0.00	0.00	0.00	0.00
Mongolia	0.00	0.00	0.00	0.00	0.00	0.00
Myanmar	0.00	0.00	0.00	0.00	0.01	0.00
Nepal	0.00	0.00	0.00	0.00	0.00	0.00
Netherlands	2.17	2.20	0.90	2.60	0.49	4.61
New Zealand	0.17	1.42	0.42	1.46	0.13	0.28
Norway	0.15	0.00	0.03	0.25	0.05	0.00
Pakistan	0.01	0.00	0.57	0.04	3.82	0.63
Papua New Guinea	0.00	0.00	0.25	0.07	0.43	0.29
Philippines	1.14	0.94	8.43	1.59	4.27	4.14
Singapore	0.56	0.00	1.53	0.32	2.10	0.10
Solomon Islands	0.00	0.00	0.00	0.00	0.00	0.00
Spain	0.00	0.00	0.00	0.00	0.21	0.00
Sri Lanka	0.00	0.00	0.00	0.03	0.00	0.00
Sweden	0.57	0.13	0.54	0.04	0.93	0.25
Switzerland	1.91	1.07	1.51	5.86	2.39	9.87
Taipei, China	1.77	0.09	1.70	3.20	1.11	1.12
Thailand	2.28	0.00	6.94	0.09	3.01	0.15
Tonga	0.00	0.00	0.00	0.00	0.00	0.00
Turkey	0.00	0.00	0.00	0.00	0.14	0.00
United Kingdom	4.03	3.61	2.76	11.08	1.57	6.66
United States	6.94	41.40	7.01	21.26	5.85	9.63
Vanuatu	0.00	0.00	0.00	0.00	0.00	0.00
Viet Nam, Soc. Rep. of	0.00	0.00	0.00	0.00	0.02	0.00
Western Samoa	0.00	0.00	0.00	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00
Total Value (\$ million)	1,151.814	65.585	5,006.384	327.457	10,710.646	491.280

a. Based on US\$ value equivalent of contract.

Table 22
DISTRIBUTION OF CONTRACTS AWARDED BY COUNTRY OF ORIGIN^a
ASIAN DEVELOPMENT FUND

Country	1967 - 1976		1977 - 1986		1987 - 1993	
	Goods, Related Services & Civil Works %	Consulting Services %	Goods, Related Services & Civil Works %	Consulting Services %	Goods, Related Services & Civil Works %	Consulting Services %
Afghanistan	0.00	0.00	0.37	0.00	0.00	0.00
Australia	4.89	6.10	0.83	3.75	1.57	3.51
Austria	0.12	0.00	0.34	0.00	0.23	0.00
Bangladesh	0.20	0.00	5.80	0.94	14.17	3.57
Belgium	0.18	0.00	0.58	0.05	0.50	0.00
Bhutan	0.00	0.00	0.00	0.00	0.11	0.01
Canada	0.61	18.30	0.51	7.39	0.48	2.45
China, People's Rep. of	0.00	0.00	0.00	0.00	4.99	0.00
Cook Islands	0.00	0.00	0.04	0.00	0.03	0.00
Denmark	0.02	0.93	0.79	0.00	0.35	1.24
Fiji	0.12	0.00	0.05	0.00	0.00	0.00
Finland	0.01	0.00	0.07	1.34	0.22	0.24
France	0.13	0.00	1.37	2.57	1.59	2.03
Germany	14.61	22.63	5.08	1.68	4.40	4.45
Hong Kong	0.27	0.00	0.74	0.00	0.93	0.00
India	4.42	1.63	6.30	9.30	2.86	0.62
Indonesia	0.00	0.00	1.14	1.85	3.67	5.08
Italy	5.68	5.49	2.75	0.82	1.11	1.47
Japan	38.73	21.17	25.35	15.18	6.82	4.28
Kiribati	0.00	0.00	0.00	0.00	0.01	0.00
Korea, Rep. of	5.66	1.84	5.31	2.01	5.45	2.49
Lao PDR	0.00	0.00	0.05	0.00	0.47	0.02
Luxembourg	0.00	0.00	0.00	0.00	0.00	0.00
Malaysia	0.57	2.56	0.36	0.54	1.55	0.00
Maldives	0.00	0.00	0.02	0.00	0.00	0.00
Marshall Islands	0.00	0.00	0.00	0.00	0.02	0.00
Mongolia	0.00	0.00	0.00	0.00	0.01	0.00
Myanmar	0.00	0.00	0.78	0.00	0.20	0.00
Nepal	0.82	0.00	2.28	0.50	2.77	1.36
Netherlands	1.68	5.57	1.22	2.22	1.02	4.13
New Zealand	0.56	2.46	0.81	2.00	0.42	3.25
Norway	0.05	0.00	0.02	0.57	0.58	0.51
Pakistan	0.00	0.00	4.76	0.47	13.73	10.70
Papua New Guinea	2.60	0.00	1.52	0.19	1.31	0.58
Philippines	0.14	1.10	2.74	2.83	4.75	5.21
Singapore	4.83	0.00	1.85	0.11	4.82	0.11
Solomon Islands	0.00	0.00	0.28	0.09	0.16	0.00
Spain	0.00	0.00	0.00	0.00	0.08	0.00
Sri Lanka	0.00	0.12	3.11	0.26	4.18	1.03
Sweden	0.01	0.14	1.64	0.04	0.51	3.44
Switzerland	0.33	0.00	2.64	6.18	1.04	4.39
Taipei, China	0.74	0.11	0.20	0.04	1.07	0.00
Thailand	1.66	0.20	2.35	0.05	0.91	0.02
Tonga	0.00	0.00	0.15	0.00	0.07	0.06
Turkey	0.00	0.00	0.00	0.00	0.31	0.00
United Kingdom	6.96	2.83	6.44	21.11	2.27	21.63
United States	3.30	6.82	8.98	15.96	7.69	12.09
Vanuatu	0.00	0.00	0.01	0.00	0.05	0.00
Viet Nam, Soc. Rep. of	0.00	0.00	0.08	0.00	0.43	0.00
Western Samoa	0.09	0.00	0.28	0.07	0.08	0.05
Total	100.00	100.00	100.00	100.00	100.00	100.00
Total Value (\$ million)	260.832	27.689	2,447.946	155.369	5,799.649	311.151

a Based on US\$ value equivalent of contract.

Table 23

DISTRIBUTION OF CONTRACTS AWARDED BY COUNTRY OF ORIGIN^a
 ORDINARY CAPITAL RESOURCES AND ASIAN DEVELOPMENT FUND COMBINED

Country	1967 - 1976		1977 - 1986		1987 - 1993	
	Goods, Related Services & Civil Works %	Consulting Services %	Goods, Related Services & Civil Works %	Consulting Services %	Goods, Related Services & Civil Works %	Consulting Services %
Afghanistan	0.00	0.00	0.12	0.00	0.00	0.00
Australia	1.84	4.56	1.23	2.87	1.79	2.81
Austria	1.96	0.59	0.49	0.21	0.25	0.32
Bangladesh	0.04	0.00	1.91	0.32	4.98	1.38
Belgium	0.21	0.38	0.52	0.04	0.62	0.00
Bhutan	0.00	0.00	0.00	0.00	0.04	0.00
Canada	1.90	7.04	0.78	6.98	0.59	4.05
China, People's Rep. of	0.00	0.00	0.00	0.00	5.27	0.00
Cook Islands	0.00	0.00	0.01	0.00	0.01	0.00
Denmark	0.11	1.64	0.45	1.97	0.20	1.47
Fiji	0.10	0.00	0.18	0.00	0.14	0.03
Finland	0.04	0.00	0.05	0.64	0.31	0.11
France	3.11	4.25	1.80	2.85	1.76	4.44
Germany	8.87	14.00	4.89	3.49	5.04	6.16
Hong Kong	0.54	0.00	1.31	0.32	1.07	0.06
India	2.00	2.84	2.52	3.22	6.18	1.02
Indonesia	0.00	0.00	5.93	7.09	14.47	18.02
Italy	3.79	9.41	1.81	3.03	2.63	2.21
Japan	41.67	11.44	23.65	13.41	10.84	6.01
Kiribati	0.00	0.00	0.00	0.00	0.00	0.00
Korea, Rep. of	8.93	1.46	13.32	3.40	6.39	1.71
Lao PDR	0.00	0.00	0.02	0.00	0.17	0.01
Luxembourg	0.00	0.00	0.00	0.00	0.00	0.00
Malaysia	2.81	0.88	3.29	0.77	3.01	0.54
Maldives	0.00	0.00	0.01	0.00	0.00	0.00
Marshall Islands	0.00	0.00	0.00	0.00	0.01	0.00
Mongolia	0.00	0.00	0.00	0.00	0.00	0.00
Myanmar	0.00	0.00	0.26	0.00	0.07	0.00
Nepal	0.15	0.00	0.75	0.16	0.97	0.53
Netherlands	2.08	3.20	1.01	2.48	0.68	4.42
New Zealand	0.24	1.73	0.55	1.63	0.23	1.43
Norway	0.13	0.00	0.03	0.35	0.23	0.17
Pakistan	0.01	0.00	1.95	0.18	7.30	4.53
Papua New Guinea	0.48	0.00	0.66	0.11	0.74	0.40
Philippines	0.95	0.99	6.54	1.99	4.44	4.55
Singapore	1.34	0.00	1.65	0.25	3.06	0.10
Solomon Islands	0.00	0.00	0.09	0.03	0.06	0.00
Spain	0.00	0.00	0.00	0.00	0.16	0.00
Sri Lanka	0.00	0.04	1.02	0.11	1.47	0.40
Sweden	0.46	0.13	0.90	0.04	0.79	1.49
Switzerland	1.62	0.75	1.88	5.96	1.92	7.74
Taipei, China	1.58	0.10	1.21	2.18	1.09	0.68
Thailand	2.17	0.06	5.41	0.08	2.27	0.10
Tonga	0.00	0.00	0.05	0.00	0.02	0.02
Turkey	0.00	0.00	0.00	0.00	0.20	0.00
United Kingdom	4.57	3.38	3.97	14.31	1.81	12.47
United States	6.27	31.13	7.66	19.55	6.50	10.58
Vanuatu	0.00	0.00	0.00	0.00	0.02	0.00
Viet Nam, Soc. Rep. of	0.00	0.00	0.03	0.00	0.17	0.00
Western Samoa	0.02	0.00	0.09	0.02	0.03	0.02
Total	100.00	100.00	100.00	100.00	100.00	100.00
Total Value (\$ million)	1,412.646	93.274	7,454.330	482.826	16,510.295	802.431

a. Based on US\$ value equivalent of contract.

Table 24
CONTRACTS AWARDED BY COUNTRY OF ORIGIN IN 1993
ORDINARY CAPITAL RESOURCES

(amounts in \$ million)

Country	Goods, Related Services & Civil Works	% Distribution	Consulting Services	% Distribution	Total Contracts Awarded	% Distribution
Australia	60.781	2.52	1.997	2.14	62.778	2.51
Austria	1.447	0.06	0.019	0.02	1.466	0.06
Bangladesh	0.239	0.01	0.000	0.00	0.239	0.01
Belgium	3.159	0.13	0.000	0.00	3.159	0.13
Canada	13.550	0.56	0.792	0.85	14.342	0.57
China, People's Rep. of	260.882	10.82	0.000	0.00	260.882	10.41
Denmark	0.777	0.03	1.746	1.87	2.523	0.10
Fiji	4.976	0.21	0.000	0.00	4.976	0.20
Finland	6.361	0.26	0.013	0.01	6.374	0.25
France	41.555	1.72	0.945	1.01	42.500	1.70
Germany	188.182	7.80	24.488	26.25	212.670	8.49
Hong Kong	25.880	1.07	0.000	0.00	25.880	1.03
India	241.040	9.99	2.144	2.30	243.184	9.71
Indonesia	341.171	14.15	28.033	30.05	369.204	14.74
Italy	130.821	5.42	1.453	1.56	132.274	5.28
Japan	407.475	16.89	4.975	5.33	412.450	16.46
Korea, Rep. of	86.248	3.58	1.446	1.55	87.694	3.50
Malaysia	50.566	2.10	1.616	1.73	52.182	2.08
Myanmar	0.565	0.02	0.000	0.00	0.565	0.02
Netherlands	12.416	0.51	3.786	4.06	16.202	0.65
New Zealand	2.646	0.11	0.049	0.05	2.695	0.11
Norway	0.886	0.04	0.000	0.00	0.886	0.04
Pakistan	61.893	2.57	0.000	0.00	61.893	2.47
Papua New Guinea	12.090	0.50	0.161	0.17	12.251	0.49
Philippines	82.966	3.44	0.826	0.89	83.792	3.34
Singapore	33.606	1.39	0.025	0.03	33.631	1.34
Spain	7.686	0.32	0.000	0.00	7.686	0.31
Sweden	13.893	0.58	0.000	0.00	13.893	0.55
Switzerland	106.694	4.42	4.583	4.91	111.277	4.44
Taipei, China	16.215	0.67	0.576	0.62	16.791	0.67
Thailand	56.360	2.34	0.000	0.00	56.360	2.25
Turkey	13.389	0.56	0.000	0.00	13.389	0.53
United Kingdom	27.347	1.13	5.650	6.06	32.997	1.32
United States	98.169	4.07	7.950	8.52	106.119	4.24
TOTAL	2,411.931	100.00	93.273	100.00	2,505.204	100.00

Table 25
CONTRACTS AWARDED BY COUNTRY OF ORIGIN IN 1993
ASIAN DEVELOPMENT FUND

(amounts in \$ million)

Country	Goods, Related Services & Civil Works	% Distribution	Consulting Services	% Distribution	Total Contracts Awarded	% Distribution
Australia	1.999	0.21	1.219	2.21	3.218	0.32
Austria	0.027	0.00	0.000	0.00	0.027	0.00
Bangladesh	124.902	12.97	2.782	5.05	127.684	12.54
Belgium	0.431	0.04	0.000	0.00	0.431	0.04
Bhutan	1.715	0.18	0.000	0.00	1.715	0.17
Canada	1.166	0.12	0.323	0.59	1.489	0.15
China, People's Rep. of	96.954	10.07	0.000	0.00	96.954	9.52
Cook Islands	0.193	0.02	0.000	0.00	0.193	0.02
Denmark	0.641	0.07	0.301	0.55	0.942	0.09
Fiji	0.000	0.00	0.000	0.00	0.000	0.00
Finland	1.813	0.19	0.217	0.39	2.030	0.20
France	1.628	0.17	4.852	8.81	6.480	0.64
Germany	123.182	12.79	2.621	4.76	125.803	12.36
Hong Kong	6.020	0.63	0.000	0.00	6.020	0.59
India	27.150	2.82	0.023	0.04	27.173	2.67
Indonesia	39.021	4.05	4.801	8.72	43.822	4.30
Italy	1.334	0.14	0.000	0.00	1.334	0.13
Japan	18.060	1.88	1.319	2.39	19.379	1.90
Kiribati	0.000	0.00	0.000	0.00	0.000	0.00
Korea, Rep. of	24.757	2.57	0.000	0.00	24.757	2.43
Lao PDR	3.879	0.40	0.000	0.00	3.879	0.38
Malaysia	0.593	0.06	0.000	0.00	0.593	0.06
Marshall Islands	0.892	0.09	0.006	0.01	0.898	0.09
Mongolia	0.424	0.04	0.000	0.00	0.424	0.04
Myanmar	0.185	0.02	0.000	0.00	0.185	0.02
Nepal	48.834	5.07	2.491	4.52	51.325	5.04
Netherlands	0.538	0.06	0.209	0.38	0.747	0.07
New Zealand	1.032	0.11	2.840	5.16	3.872	0.38
Norway	0.000	0.00	2.030	3.69	2.030	0.20
Pakistan	198.280	20.59	9.522	17.29	207.802	20.41
Papua New Guinea	15.863	1.65	0.254	0.46	16.117	1.58
Philippines	93.070	9.66	1.708	3.10	94.778	9.31
Singapore	24.206	2.51	0.000	0.00	24.206	2.38
Solomon Islands	0.000	0.00	0.000	0.00	0.000	0.00
Spain	0.026	0.00	0.000	0.00	0.026	0.00
Sri Lanka	40.691	4.23	0.690	1.25	41.381	4.06
Sweden	5.607	0.58	5.945	10.79	11.552	1.13
Switzerland	2.744	0.28	0.000	0.00	2.744	0.27
Taipei, China	0.932	0.10	0.000	0.00	0.932	0.09
Thailand	8.860	0.92	0.000	0.00	8.860	0.87
Tonga	0.609	0.06	0.000	0.00	0.609	0.06
Turkey	11.696	1.21	0.000	0.00	11.696	1.15
United Kingdom	17.659	1.83	1.796	3.26	19.455	1.91
United States	15.034	1.56	8.956	16.26	23.990	2.36
Vanuatu	0.302	0.03	0.000	0.00	0.302	0.03
Viet Nam, Soc. Rep. of	0.080	0.01	0.000	0.00	0.080	0.01
Western Samoa	0.000	0.00	0.170	0.31	0.170	0.02
T O T A L	963.029	100.00	55.075	100.00	1,018.104	100.00

Table 26

**CONTRACTS AWARDED BY COUNTRY OF ORIGIN IN 1993
ORDINARY CAPITAL RESOURCES AND ASIAN DEVELOPMENT FUND COMBINED**

(amounts in \$ million)

Country	Goods, Related Services & Civil Works	% Distribution	Consulting Services	% Distribution	Total Contracts Awarded	% Distribution
Australia	62.780	1.86	3.216	2.17	65.996	1.87
Austria	1.474	0.04	0.019	0.01	1.493	0.04
Bangladesh	125.141	3.71	2.782	1.88	127.923	3.63
Belgium	3.590	0.11	0.000	0.00	3.590	0.10
Bhutan	1.715	0.05	0.000	0.00	1.715	0.05
Canada	14.716	0.44	1.115	0.75	15.831	0.45
China, People's Rep. of	357.836	10.60	0.000	0.00	357.836	10.16
Cook Islands	0.193	0.01	0.000	0.00	0.193	0.01
Denmark	1.418	0.04	2.047	1.38	3.465	0.10
Fiji	4.976	0.15	0.000	0.00	4.976	0.14
Finland	8.174	0.24	0.230	0.16	8.404	0.24
France	43.183	1.28	5.797	3.91	48.980	1.39
Germany	311.364	9.23	27.109	18.27	338.473	9.61
Hong Kong	31.900	0.95	0.000	0.00	31.900	0.91
India	268.190	7.95	2.167	1.46	270.357	7.67
Indonesia	380.192	11.27	32.834	22.13	413.026	11.72
Italy	132.155	3.92	1.453	0.98	133.608	3.79
Japan	425.535	12.61	6.294	4.24	431.829	12.26
Kiribati	0.000	0.00	0.000	0.00	0.000	0.00
Korea, Rep. of	111.005	3.29	1.446	0.97	112.451	3.19
Lao PDR	3.879	0.11	0.000	0.00	3.879	0.11
Malaysia	51.159	1.52	1.616	1.09	52.775	1.50
Marshall Islands	0.892	0.03	0.006	0.00	0.898	0.03
Mongolia	0.424	0.01	0.000	0.00	0.424	0.01
Myanmar	0.750	0.02	0.000	0.00	0.750	0.02
Nepal	48.834	1.45	2.491	1.68	51.325	1.46
Netherlands	12.954	0.38	3.995	2.69	16.949	0.48
New Zealand	3.678	0.11	2.889	1.95	6.567	0.19
Norway	0.886	0.03	2.030	1.37	2.916	0.08
Pakistan	260.173	7.71	9.522	6.42	269.695	7.65
Papua New Guinea	27.953	0.83	0.415	0.28	28.368	0.81
Philippines	176.036	5.22	2.534	1.71	178.570	5.07
Singapore	57.812	1.71	0.025	0.02	57.837	1.64
Solomon Islands	0.000	0.00	0.000	0.00	0.000	0.00
Spain	7.712	0.23	0.000	0.00	7.712	0.22
Sri Lanka	40.691	1.21	0.690	0.47	41.381	1.17
Sweden	19.500	0.58	5.945	4.01	25.445	0.72
Switzerland	109.438	3.24	4.583	3.09	114.021	3.24
Taipei, China	17.147	0.51	0.576	0.39	17.723	0.50
Thailand	65.220	1.93	0.000	0.00	65.220	1.85
Tonga	0.609	0.02	0.000	0.00	0.609	0.02
Turkey	25.085	0.74	0.000	0.00	25.085	0.71
United Kingdom	45.006	1.33	7.446	5.02	52.452	1.49
United States	113.203	3.35	16.906	11.40	130.109	3.69
Vanuatu	0.302	0.01	0.000	0.00	0.302	0.01
Viet Nam, Soc. Rep. of	0.080	0.00	0.000	0.00	0.080	0.00
Western Samoa	0.000	0.00	0.170	0.11	0.170	0.00
TOTAL	3,374.960	100.00	148.348	100.00	3,523.308	100.00

Table 27
CUMULATIVE CONTRACTS AWARDED BY COUNTRY OF ORIGIN
(As of 31 December 1993)

TECHNICAL ASSISTANCE OPERATIONS

(amounts in \$ million)

Country	Bank's Own Resources	% Distribution	Administered Trust Funds	% Distribution	Japan Special Fund	% Distribution	Total Contracts Awarded	% Distribution
Afghanistan	0.000	0.00	0.000	0.00	0.023	0.02	0.023	0.00
Australia	37.246	10.27	11.441	8.96	13.713	10.75	62.400	10.10
Austria	0.120	0.03	0.000	0.00	0.000	0.00	0.120	0.02
Bangladesh	1.611	0.44	0.768	0.60	0.934	0.73	3.313	0.54
Belgium	1.607	0.44	0.310	0.24	0.371	0.29	2.288	0.37
Bhutan	0.001	0.00	0.017	0.01	0.000	0.00	0.018	0.00
Canada	20.414	5.63	6.070	4.75	10.854	8.51	37.338	6.04
China, People's Rep. of	0.473	0.13	0.021	0.02	0.041	0.03	0.535	0.09
Cook Islands	0.002	0.00	0.000	0.00	0.000	0.00	0.002	0.00
Denmark	6.299	1.74	1.810	1.42	3.393	2.66	11.502	1.86
Fiji	0.197	0.05	0.000	0.00	0.000	0.00	0.197	0.03
Finland	2.040	0.56	4.523	3.54	0.709	0.56	7.272	1.18
France	7.422	2.05	9.249	7.24	4.131	3.24	20.802	3.37
Germany	7.526	2.08	3.246	2.54	5.259	4.12	16.031	2.59
Hong Kong	5.224	1.44	0.047	0.04	0.820	0.64	6.091	0.99
India	13.978	3.86	3.599	2.82	3.906	3.06	21.483	3.48
Indonesia	4.707	1.30	0.707	0.55	2.232	1.75	7.646	1.24
Italy	2.815	0.78	0.643	0.50	0.016	0.01	3.474	0.56
Japan	13.784	3.80	5.565	4.36	4.453	3.49	23.802	3.85
Korea, Rep. of	3.479	0.96	0.985	0.77	2.120	1.66	6.584	1.07
Lao PDR	0.048	0.01	0.000	0.00	0.297	0.23	0.345	0.06
Malaysia	3.385	0.93	0.081	0.06	1.372	1.08	4.838	0.78
Mongolia	0.009	0.00	0.000	0.00	0.000	0.00	0.009	0.00
Myanmar	0.073	0.02	0.415	0.32	0.000	0.00	0.488	0.08
Nepal	2.500	0.69	0.846	0.66	0.318	0.25	3.664	0.59
Netherlands	11.417	3.15	2.114	1.65	5.488	4.30	19.019	3.08
New Zealand	19.757	5.45	2.258	1.77	9.022	7.08	31.037	5.02
Norway	1.343	0.37	2.396	1.88	0.939	0.74	4.678	0.76
Pakistan	2.990	0.82	0.069	0.05	0.131	0.10	3.190	0.52
Papua New Guinea	0.356	0.10	0.000	0.00	0.000	0.00	0.356	0.06
Philippines	18.909	5.22	7.701	6.03	3.610	2.83	30.220	4.89
Singapore	5.586	1.54	0.000	0.00	0.646	0.51	6.232	1.01
Solomon Islands	0.012	0.00	0.000	0.00	0.000	0.00	0.012	0.00
Spain	0.000	0.00	1.289	1.01	0.000	0.00	1.289	0.21
Sri Lanka	2.650	0.73	0.977	0.76	0.318	0.25	3.945	0.64
Sweden	2.458	0.68	1.930	1.51	1.099	0.86	5.487	0.89
Switzerland	3.865	1.07	4.650	3.64	3.702	2.90	12.217	1.98
Taipei, China	0.978	0.27	0.068	0.05	1.996	1.57	3.042	0.49
Thailand	3.366	0.93	0.856	0.67	2.115	1.66	6.337	1.03
Tonga	0.180	0.05	0.000	0.00	0.000	0.00	0.180	0.03
Turkey	0.023	0.01	0.082	0.06	0.000	0.00	0.105	0.02
United Kingdom	60.041	16.56	25.032	19.60	21.950	17.21	107.023	17.32
United States	69.923	19.29	23.906	18.71	20.841	16.34	114.670	18.56
Vanuatu	0.163	0.04	0.000	0.00	0.000	0.00	0.163	0.03
Viet Nam, Soc. Rep. of	0.054	0.01	0.000	0.00	0.000	0.00	0.054	0.01
Western Samoa	0.344	0.09	0.000	0.00	0.090	0.07	0.434	0.07
International Organizations	23.173	6.39	4.067	3.18	0.602	0.47	27.842	4.51
T O T A L	362.548	100.00	127.738	100.00	127.511	100.00	617.797	100.00

Table 28
CONTRACTS AWARDED BY COUNTRY OF ORIGIN, 1991-1993
TECHNICAL ASSISTANCE OPERATIONS

(amounts in \$ million)

Country	1991		1992		1993	
	Value	%	Value	%	Value	%
Afghanistan	0.000	0.00	0.023	0.03	0.000	0.00
Australia	10.230	11.53	9.646	12.83	11.413	12.94
Austria	0.000	0.00	0.000	0.00	0.011	0.01
Bangladesh	0.387	0.44	0.755	1.00	0.585	0.66
Belgium	0.284	0.32	0.065	0.09	0.443	0.50
Bhutan	0.000	0.00	0.001	0.00	0.000	0.00
Canada	5.059	5.70	2.907	3.87	6.895	7.82
China, People's Rep. of	1.298	1.46	-1.153	-1.53	0.126	0.14
Cook Islands	0.000	0.00	0.000	0.00	0.000	0.00
Denmark	2.365	2.67	1.498	1.99	0.608	0.69
Fiji	0.037	0.04	0.001	0.00	-0.004	0.00
Finland	1.198	1.35	0.044	0.06	0.924	1.05
France	-0.250	-0.28	4.779	6.36	0.149	0.17
Germany	1.611	1.82	1.850	2.46	1.390	1.58
Hong Kong	1.376	1.55	1.111	1.48	2.212	2.51
India	2.344	2.64	2.055	2.73	2.673	3.03
Indonesia	2.138	2.41	2.662	3.54	0.938	1.06
Italy	0.150	0.17	-0.005	-0.01	0.216	0.24
Japan	4.107	4.63	1.496	1.99	2.882	3.27
Korea, Rep. of	0.538	0.61	2.288	3.04	0.045	0.05
Lao PDR	0.025	0.03	-0.006	-0.01	0.303	0.34
Malaysia	1.208	1.36	0.876	1.17	0.542	0.61
Mongolia	0.011	0.01	-0.002	0.00	0.000	0.00
Myanmar	0.005	0.01	-0.001	0.00	0.439	0.50
Nepal	0.224	0.25	0.735	0.00	1.029	1.17
Netherlands	1.785	2.01	1.923	2.56	5.790	6.57
New Zealand	5.662	6.38	1.447	1.92	4.526	5.13
Norway	0.192	0.22	0.015	0.02	0.916	1.04
Pakistan	0.425	0.48	0.201	0.27	0.189	0.21
Papua New Guinea	0.004	0.00	0.045	0.06	0.012	0.01
Philippines	2.727	3.07	3.345	4.45	4.075	4.62
Singapore	1.508	1.70	0.866	1.15	1.584	1.80
Solomon Islands	0.000	0.00	0.000	0.00	0.000	0.00
Spain	1.241	1.40	0.000	0.00	0.048	0.05
Sri Lanka	0.696	0.78	0.753	1.00	0.508	0.58
Sweden	0.281	0.32	0.606	0.81	1.702	1.93
Switzerland	1.131	1.28	1.506	2.00	1.761	2.00
Taipei, China	-0.010	-0.01	1.963	2.61	0.599	0.68
Thailand	1.339	1.51	-0.074	-0.10	1.728	1.96
Tonga	0.000	0.00	0.000	0.00	-0.013	-0.01
Turkey	0.000	0.00	0.015	0.02	0.090	0.10
United Kingdom	14.167	15.97	13.450	17.89	17.071	19.36
United States	13.916	15.69	14.597	19.42	13.963	15.84
Vanuatu	0.001	0.00	0.000	0.00	-0.004	0.00
Viet Nam, Soc. Rep. of	0.000	0.00	-0.002	0.00	0.005	0.01
Western Samoa	0.097	0.11	0.153	0.20	0.050	0.06
International Organizations	9.195	10.37	3.471	4.62	-0.252	-0.29
TOTAL	88.702	100.00	75.905	100.00	88.167	100.00

Note: Negative figures indicate that there was a decrease in the total value of contracts awarded during the period due to any combination of: (i) change in currency exchange rates; (ii) cancellation of contract; and (iii) reduction of contract amount.

Table 29
GRANT-FINANCED TECHNICAL ASSISTANCE APPROVALS, 1993
(amounts in \$ thousand)

Country/Project	Project Preparatory	Advisory & Operational
BANGLADESH		
Energy Conservation in Industrial Sector	250.0	-
Nonformal Education	250.0 ^a	-
Southwest Area Water Resources Development	250.0	-
Development of Revised Standard Minimum Model-X (Supplementary)	-	40.0
Nutrition	-	99.5
Institutional Strengthening of the Securities and Exchange Commission	-	588.5 ^b
Preparation of Power System Master Plan	-	600.0 ^b
Institutional Strengthening of the Department of Public Health Engineering	-	350.0 ^a
Institutional Strengthening of Pourashavas for Urban Water Supply and Sanitation Service	-	450.0 ^a
Institutional Strengthening of the Directorate of Secondary Higher Education	-	490.0
Financial Management Upgrade of BPDB and DESA	-	1,000.0 ^a
Khulna-Jessore Drainage Rehabilitation	-	920.0 ^a
Audit, Valuation and Study of Restructuring Options for the Investment Corporation	-	479.0
Safety and Efficiency Improvements in the Gas Sector	-	480.0
Preparation of a Gas System Development Plan and the Strengthening of the Organizational and Regulatory Framework for Oil and Gas Sector	-	565.0
Socio-Environmental Assessment of Meghna-Dhonagoda Irrigation	-	99.0
Evaluation of Private Sector Investment Proposals for Oil & Gas Exploration and Development	-	95.0
Study of the Insurance Industry and Pension and Provident Fund Operations in Bangladesh	-	577.0
BHUTAN		
Power System Development	245.0 ^a	-
Strengthening the Ministry of Finance	-	100.0
Irrigation Action Plan	-	350.0 ^a
Construction Management	-	740.0 ^a
Development of Maintenance Management System	-	390.0 ^a
Highland Livestock Development	-	560.0 ^c
CAMBODIA		
Transport Rehabilitation Study	-	1,319.4 ^d
Project Management Coordination and Project Implementation in the Power and Education Sectors	-	3,200.0 ^e
Emergency Training of Teachers	-	1,300.0 ^e
Agricultural Development Options Review	-	515.0
Water Supply and Sanitation Sector Needs Assessment Study	-	100.0
CHINA, PEOPLE'S REPUBLIC OF		
Jing-Jiu Railway	400.0 ^a	-
Dalian Water Resources Development	100.0	-
Fujian Soil Conservation and Rural Development	406.0 ^f	-
Integrated Rural Development for Minority Areas	550.0 ^a	-
North China Marine Culture and Coastal Resources Management	583.8 ^a	-
Hainan Agriculture and Natural Resources Management	593.0 ^a	-
Second Agricultural Bank of China	491.0 ^a	-
Hunan Lingjintan Hydropower	100.0	-
Qitahe Thermal Power	438.0 ^a	-
Beijing Environmental Improvement	600.0	-
Heilongjiang and Yunnan Expressways	320.0 ^a	-
Second Ports Development	400.0 ^a	-
West Henan Agriculture Development	600.0	-
Conference on the Roles of Planning and the Market in Economic Management	-	100.0

a To be financed from JSF.

b To be financed by the Government of France with the Bank acting as Executing Agency.

c To be financed by the Government of Norway with the Bank acting as Executing Agency.

d Of this amount, \$719,400 is to be financed by UNDP and \$600,000 by the Government of Sweden with the Bank acting as Executing Agency.

e To be financed by the Government of Sweden with the Bank acting as Executing Agency.

f To be financed from JSF. In addition, FAO will contribute \$134,000 under a cost-sharing arrangement.

Country/Project	Project Preparatory	Advisory & Operational
CHINA, PEOPLE'S REPUBLIC OF (cont'd.)		
Telecommunications Management Support	-	598.0
Study of Efficiency Improvements in Road Transport	-	550.0 ^a
Strengthening Business and Commercial Practices of the HJRC and Anhui Province	-	600.0
Seminar on Bank Operational Policies and Procedures	-	50.0
Policy and Institutional Support in the Road Sector	-	1,200.0 ^a
Policies for Strategies Development of Transport and Communications Infrastructure	-	100.0
Policy and Planning Support for Education for All in Hebei Province	-	600.0 ^a
Regulation and Supervision of Securities Markets	-	600.0
Enhancing the Project Finance Capability of CADTIC	-	92.0
Study of Non-Bank Financial Institutions	-	249.0
Credit Rating Seminar	-	99.0
Power Subsector Energy Conservation Study in Jiangsu Province	-	479.5 ^a
Financial and Management Information Systems Study	-	375.0
Electricity Efficiency Study	-	340.0
Support for Power Sector Tariff & Financing Reforms	-	450.0
Fertilizer Sector Legal and Regulatory Development	-	183.0
Assessment of Small-Scale Nitrogen Fertilizer Plants	-	300.0
Public Enterprise Reform Study	-	600.0
Study of Social Welfare and Labor Adjustments for Enterprise Reform	-	573.0
Institutional Strengthening of the Environmental Protection Bureaus in Tangshan and Chengde Municipalities	-	450.0
Environmental Impact Assessment Training Phase II	-	900.0 ^a
Institutional Strengthening of China Agribusiness Development Trust and Investment Corporation	-	208.0 ^a
Urban Environmental Improvement Planning	-	480.0 ^a
Township and Village Enterprise (TVE) Development	-	540.0 ^a
COOK ISLANDS		
Agribusiness and Agro-Industry Development	265.0	-
FIJI		
Socioeconomic Database on Women	-	100.0 ^a
Institutional Strengthening of the Forestry Economics Unit	-	263.0 ^a
Management Information System for the Ministry of Agriculture, Fisheries and Forestry	-	570.0 ^a
Development of the Capital Market	-	450.0
INDIA		
Third Ports	600.0 ^a	-
Bombay-Vadodara Expressway TA Project Environmental Impact Assessment	90.0	-
Rural Telecommunications	100.0	-
Faridabad-Noida-Ghaziabad Expressway	550.0	-
Urban Infrastructure Development	600.0	-
Industrial Energy Conservation and Environment Improvement	275.0	-
Renewable Energy Development	354.0	-
Technical Standards for Highway Concrete Structures	-	350.0
Road Safety	-	210.0
Environmental Management of Road Projects	-	240.0
Project Monitoring and Streamlining Procedure	-	100.0
Regulatory Framework for the Gas Industry	-	600.0
Facilitate Mergers and Acquisition as a Route for Industrial Restructuring	-	100.0
INDONESIA		
Surabaya and Eastern Region Ports Development	600.0 ^a	-
Private Secondary Education	520.0	-
Human Resources Development Project in the Water Resources Sector	600.0 ^a	-
Microcredit Project	455.0	-

^a To be financed from JSF.

Country/Project	Project Preparatory	Advisory & Operational
INDONESIA (cont'd.)		
Industrial Technology and Human Resources Development	99.5	-
Gas Utilization Study	400.0	-
Industrial Pollution Control in Cimahi	590.0 ^a	-
Development of a Cost Accounting System for the Ministry of Public Works	-	600.0
Intermediate Services: Key to Accelerated Export Development	-	522.0
Study on Enhancing the Role of Private Sector in Tree Crop Development	-	540.0 ^a
Agricultural Sector Planning for Repelita VI	-	100.0
Remote Sensing Applications for Natural Resource Management	-	600.0 ^a
Toxic and Hazardous Waste Management	-	600.0 ^a
Environment Sector Review	-	99.0
Private Sector Participation in Urban Development (Bandung and Semarang)	-	600.0 ^a
Institutional Strengthening of the State Ministry for the Role of Women	-	600.0 ^a
KIRIBATI		
Institutional Assistance to the Ministry of Finance and Economic Planning	-	503.0 ^a
Commercialization and Privatization of Public Enterprises (Supplementary)	-	11.0
LAO PEOPLE'S DEMOCRATIC REPUBLIC		
Seventh Road Improvement	500.0 ^a	-
Pavement Evaluation Study at Vientiane Airport and Preparation of Base Plans for Domestic Airport	100.0	-
Vientiane Integrated Urban Development	600.0 ^a	-
Essential Drugs	250.0 ^a	-
Postsecondary Education Rationalization	250.0	-
Financial Sector Review	100.0	-
Strengthening Economic and Financial Management	-	1,197.0 ^b
Road Maintenance and Equipment Training (Supplementary)	-	400.0
Privatization and Management of Road Sector Institutions	-	950.0
Strengthening Labor Market Monitoring and Analysis	-	400.0 ^a
Study to Evaluate the Impact Evaluation of Agricultural Program Lending Mechanism for Tendering Government Paper	-	578.0
Pension Fund and Leasing Legislation	-	85.0
Institutional Strengthening of the National Airports Authority and Lao Civil Aviation	-	475.0
Strengthening Planning Capabilities in Nam Papa Lao	-	257.0
Institutional Support to Agriculture Promotion Bank	-	450.0
Institutional Strengthening to Department of Forestry	-	1,550.0 ^a
Establishing an Institutional Framework for a Policy Research Institute	-	98.5
Strengthening and Restructuring Irrigation Development	-	1,665.0 ^c
MALAYSIA		
Klang River Basin Integrated Flood Mitigation	800.0 ^a	-
Fisheries Infrastructure Improvement	98.0	-
Socioeconomic Impact Study of the Kedah Regional Development (Sector)	-	40.0
Urban Transport Planning	-	600.0 ^d
Preparing Environmental Impact Assessment Guidelines for Key Sectors	-	491.0
MALDIVES		
Third Power System Development	100.0	-
Institutional Strengthening of the Ministry of Public Works and Labour	-	200.0
Second Maldives Port Authority	-	90.0
MARSHALL ISLANDS		
Outer Islands Electrification Feasibility Study	200.0 ^a	-
Disaster Mitigation and Management	-	150.0
Institutional Strengthening of the Women's Affairs Division	-	250.0 ^a

a To be financed from JSF.

b Of this amount, \$683,000 is to be financed by UNDP with the Bank acting as Executing Agency.

c To be financed by the Government of Netherlands with the Bank acting as Executing Agency.

d To be financed by the Government of France with the Bank acting as Executing Agency.

Country/Project	Project Preparatory	Advisory & Operational
MARSHALL ISLANDS (cont'd.)		
Study of Agricultural Support Services	—	350.0 ^a
Institutional Strengthening of the Majuro Water and Sewer Company (MWSC)	—	250.0
MICRONESIA, FEDERATED STATES OF		
Marine Resources Management and Conservation	—	520.0
Watershed Management and Environment	—	585.0 ^a
Human Resources Development	—	595.0 ^a
MONGOLIA		
Livestock Feed Improvement (Supplementary)	59.2	—
Irrigation Systems Rehabilitation	500.0 ^a	—
Employment-Generation	100.0	—
Institutional Strengthening of the Civil Aviation Sector and National Air Safety Master Plan	—	850.0 ^b
Institutional Strengthening of the Financial Sector	—	595.0 ^b
State Privatization Commission	—	490.0 ^b
Strengthening the Industrial Sector	—	545.0
Developing Mongolia's Legal Framework	—	500.0
Institutional Enhancement for Employment Generation	—	598.0 ^b
CES Institutional and Tariff Study	—	500.0 ^b
NEPAL		
Rajapur Irrigation Rehabilitation (Supplementary)	10.5 ^b	—
Bagmati Command Area Development (Supplementary)	16.0	—
Rural Infrastructure Development	212.0	—
Re-Evaluation Study for the Sagarmath Forestry Development	—	40.0
Strengthening the Post-Evaluation Capability of the National Planning Commission Secretariat	—	100.0
Improving the Management Information Center in the Ministry of Finance	—	100.0
Improved Resource Mobilization for Kathmandu Municipality	—	300.0
Agriculture Perspective Plan	—	600.0
Institutional Support to NGOs	—	2,000.0 ^c
Institutional Strengthening of ADBN	—	690.0 ^d
Group Formation and Training of Women Beneficiaries	—	900.0 ^b
Environmental Monitoring and Management of the East Rapti Irrigation	—	222.0 ^b
Monitoring, Impact Assessment and Management of Policy Reforms	—	286.0
Improvement of Customs Valuation	—	149.0
Formulation of Industrial Pollution Control Regulations	—	135.0
Establishing an Institutional Framework for a Policy Research and Analysis Institute	—	95.0
PAKISTAN		
Second Urban Water Supply and Sanitation	500.0 ^b	—
North West Canal Remodelling	1,300.0 ^b	—
Forestry Sector	560.0	—
National Ports Master Plan and Management Study	—	900.0
Farm-to-Market Roads	—	105.0
Institutional Development of MPW	—	700.0 ^b
PAPUA NEW GUINEA		
Institutionalization of Social Impact Analysis in Higher Education	—	450.0
Review of Health Services Delivery	—	100.0
Environmentally Sustainable Management of Coastal and Marine Resources	—	599.0 ^b
Institutional Strengthening of the Department of Fisheries and Marine Resources	—	883.0 ^b
PHILIPPINES		
Manila North-East Water Supply (Supplementary)	48.0 ^e	—
Second Provincial Towns Water Supply	99.5	—
Integrated Community Health Services	541.0 ^b	—
Women's Health and Safe Motherhood	100.0	—
Second Irrigation Systems Improvement	600.0 ^b	—

a To be financed from JSF. In addition, FAO will contribute \$215,000 under a cost-sharing arrangement.

b To be financed from JSF.

c To be financed by the Government of Norway with the Bank acting as Executing Agency.

d To be financed by UNDP with the Bank acting as Executing Agency.

e To be financed by the Government of France with the Bank acting as Executing Agency.

Country/Project	Project Preparatory	Advisory & Operational
PHILIPPINES (cont'd.)		
Integrated Agriculture Infrastructure and Support Services (Supplementary)	28.5 ^b	-
Second Highland Agriculture Development	550.0 ^b	-
Airports Development	100.0	-
Re-Evaluation of the Laguna de Bay Development and Post-Evaluation of Second Laguna de Bay Irrigation and NGO Microcredit	-	100.0
Implementation of Local Government Code in Health Sector	-	300.0 ^b
Institutional Strengthening of the Local Water Utilities Administration and Water Districts	-	590.0 ^b
Long-Term Power System Planning Study	-	600.0 ^a
Mineral Sector Study	-	520.0 ^a
Nonformal Education	-	1,600.0 ^b
Integrated Pest Management for Highland Vegetables	-	600.0 ^a
Cebu Longitudinal Health and Nutrition Study	-	100.0
SRI LANKA		
Sustainable Development of Tree Crop Plantations	350.0	-
Management Strengthening of the National Water Supply and Drainage Board	-	552.0 ^b
Organizational Development and Institution Building	-	400.0
Institutional Assessment for Comprehensive Water Resources Management	-	188.0 ^a
THAILAND		
Wastewater Management and Pollution Control in Samut Prakarn	600.0 ^a	-
Strengthening Poverty Reduction and Income Redistribution Policy Analysis and Planning	-	285.0
Telecommunications Restructuring and Privatization	-	600.0 ^a
Privatization of Water Supply Operations	-	317.0
Manpower Redeployment Strategy	-	100.0
Drafting Implementation Orders for the Energy Conservation Promotion Act	-	100.0 ^c
TONGA		
Agricultural Development	430.0 ^a	-
Improved Operation and Management of Talamahu Market, Nuku'alofa	-	80.0
Creating Banking Supervision Unit in National Reserve Bank of Tonga	-	100.0
Improved Financial and Economic Management	-	565.0 ^a
TUVALU		
Development Bank of Tuvalu	-	100.0
Fisheries Sector Study	-	100.0
VANUATU		
Structural Survey of Port Vila Wharf	100.0	-
Urban Infrastructure	536.0 ^a	-
Strengthening the Office of Women's Affairs	-	50.0 ^a
VIET NAM, SOCIALIST REPUBLIC OF		
Second Road Improvement	2,100.0 ^a	-
Secondary Education Development	550.0 ^a	-
Development of Small-Scale Rural Credit	-	568.0 ^a
Institutional Strengthening of Ho Chi Minh City Water Supply Company	-	600.0
National Water Tariff Policy Study	-	600.0 ^a
Institutional Strengthening of the Ministry of Transport	-	1,900.0
Operation and Maintenance Strengthening	-	1,800.0 ^a
Ho Chi Minh City Environmental Improvement	-	600.0 ^a
Commercial Banks Review and Training	-	600.0
HCMC Water Supply Master Plan	-	600.0 ^a
Seminar on Bank's Operational Policies and Procedures in Viet Nam, 1994	-	30.0
WESTERN SAMOA		
Upgrading Planning Capabilities in the Planning Office of the Treasury Department	-	270.0 ^a
T O T A L	25,664.0	75,155.4

a To be financed from JSF.

b To be financed by the Government of Norway with the Bank acting as Executing Agency.

c To be financed by the Government of Netherlands with the Bank acting as Executing Agency.

Table 30
1993 LOANS THAT RESULTED FROM EARLIER BANK TECHNICAL ASSISTANCE
(amounts in \$ million)

CONTINUED

Country/Project	Year of T/A Approval	Amount of T/A	Total Project Cost	Amount of Bank Financing		Amount of Co-Financing	Amount of Financing by Borrower
				OCR	ADF		
BANGLADESH							
Second Water Supply and Sanitation	1992)	0.495 ^a	43.00	-	31.00	31.00	27.90
	1993)	0.520 ^b					
Secondary Education Development	1991	0.297 ^a	90.00	-	72.00	72.00	18.00
Road Overlay and Improvement	1988	2.060 ^b	105.50	-	68.00	68.00	37.50
Khulna-Jessore Drainage Rehabilitation	1989)	0.408 ^a	62.70	-	50.00	50.00	12.70
	1992)	0.192 ^a					
Southwest Area Water Resources Development	1991	3.837 ^c	4.77	-	3.15	3.15	1.37
Third Natural Gas Development	1987	0.230 ^b	198.60	-	107.00	107.00	10.10
BHUTAN							
East-West Highway Maintenance	1992	0.250	6.50	-	5.20	5.20	0.60
CHINA, PEOPLE'S REP. OF							
Hefei-Jiujiang Railway	1992	0.100	378.00	110.00	-	110.00	268.00
Guangzhou Pumped Storage Stage II	1988	0.375 ^a	455.76	200.00	-	200.00	192.80
Telecommunications	1992	0.215	175.00	100.00	-	100.00	30.00
Fertilizer Industry Restructuring (Sector)	1992)	0.100	565.00	250.00	-	250.00	
	1992)	0.098					
Hunan Expressway	1992	0.100	201.80	74.00	-	74.00	127.80
Jilin Expressway	1992	0.600 ^a	423.50	126.00	-	126.00	297.50
Tangshan and Chengde Environmental Improvement	1992	0.100	237.00	140.00	-	140.00	42.80
INDIA							
Gas Flaring Reduction	1990	0.100	2,976.00	300.00	-	300.00	1,343.60
National Highways	1992	0.250	308.80	245.00	-	245.00	63.80
Bombay-Vadodara Expressway	1990)	0.600 ^d	14.60	12.70	-	12.70	1.90
Technical Assistance	1993)	0.090					
Gas Rehabilitation and Expansion	1992	0.100	1,008.00	260.00	-	260.00	344.00
INDONESIA							
East Indonesia Airports	1978)	0.150	184.00	110.00	-	110.00	74.00
	1978)	1.300					
	1992)	0.100					
Second Development Finance	1992)	0.100					
	1992)	0.100	500.00	200.00	-	200.00	
Third Local Roads	1987	0.150	466.00	200.00	-	200.00	266.00
Second Telecommunications	1991	0.600 ^a	610.00	195.00	-	195.00	113.00
Mangrove Rehabilitation and Management in Sulawesi	1991	0.590 ^a	13.42	-	8.08	8.08	5.34
Higher Education	1992)	0.465 ^a	235.00	140.00	-	140.00	95.00
	1992)	0.078					
Sustainable Agriculture Development in Irian Jaya	1990	0.600 ^a	47.03	-	28.00	28.00	19.03
Eastern Islands' Urban Development Sector	1991	0.600 ^a	142.00	85.00	-	85.00	57.00

a Financed from JSF.

b Financed from UNDP.

c Of this amount, \$2.15 million is financed by JSF and \$1.687 million by UNDP.

d Financed by the Government of France.

Country/Project	Year of T/A Approval	Amount of T/A	Total Project Cost	Amount of Bank Financing			Amount of Co-Financing	Amount of Financing by Borrower
				OCR	ADF	Total		
LAO PDR								
Sixth Road Improvement	1987)	0.330	33.00	-	26.00	26.00		6.50
	1992)	0.100						
Airports Improvement	1991	0.100	44.80	-	15.00	15.00	23.90	5.90
Northern Provincial Towns Water Supply and Sanitation	1991	0.420 ^a	16.30	-	13.00	13.00		3.30
Industrial Tree Plantation	1990	0.320 ^a	14.05	-	11.20	11.20		2.85
MALAYSIA								
Second Pahang Barat Integrated Agriculture Development	1992	0.100	86.51	28.50	-	28.50		58.00
MALDIVES								
Second Malé Port	1992	0.250	10.41	-	8.80	8.80		1.61
MARSHALL ISLANDS								
Basic Education Development	1991	0.326	11.57	-	8.00	8.00		3.57
Majuro Water Supply	1992	0.100	0.80	-	0.70	0.70		0.10
MICRONESIA, FED. STATES OF								
Fisheries Development	1990	0.100	7.50	-	6.50	6.50		1.00
MONGOLIA								
Industrial Sector Program	1991	0.635 ^a	75.00	-	30.00	30.00		-
Ulaanbaatar Airport	1992	0.600	49.00	-	36.00	36.00		13.00
Employment Generation	1993	0.100	7.50	-	3.00	3.00		-
NEPAL								
Industrial Sector Program	1992	0.187	51.45	-	20.58	20.58		
Kathmandu Urban Development	1991	0.100	16.00	-	12.00	12.00		4.00
PAKISTAN								
Urban Water Supply and Sanitation	1990	0.635 ^b	95.80	-	72.00	72.00		23.80
Middle School	1992	0.300 ^a	100.56	-	78.01	78.01		22.55
Pehur High-Level Canal	1992	0.745 ^a	163.00	-	127.60	127.60		35.40
PHILIPPINES								
Nonformal Education	1989	0.320 ^a	31.50	-	25.20	25.20	1.60	6.30
Municipal Water Supply	1993	0.100	72.00	43.20	-	43.20		28.80
SRI LANKA								
Second Water Supply and Sanitation	1991	0.250 ^c	51.20	-	40.00	40.00		11.20
Secondary Education Development	1990	0.302 ^a	40.70	-	31.00	31.00		9.70
Financial Management Training	1991	0.099	16.20	-	13.00	13.00		3.20
T O T A L		22.469	10,446.83	2,819.40	950.02	3,769.42	1,836.20	3,435.70

a Financed from JSF.

b Financed by the Government of France.

c Financed by the Government of Finland.

Table 31
REGIONAL TECHNICAL ASSISTANCE ACTIVITIES, 1993

Project	Amount (\$ thousand)
1993 Special Secondment Scheme with the Bank	167.0
1993 Seminars on Project Implementation Management and Procurement	400.0
Second ADB Conference on Development Economics	200.0
ADIPA: 13th Biennial Meeting and APDC: Conference for the Future of Asia-Pacific	
Economics — Emergence of Indochina State as Market Economies	30.0
Regional Training Course on Management of Conventional and Container Operations in Ports	200.0
Socio-Economic Indicators to Reflect the Participation of WID (Supplementary)	10.0
Acid Rain and Emissions Reduction in Asia	450.0
Symposium on Legal Aspects of Debt Recovery and Credit	75.0
Third Seminar on International Finance	87.5 ^a
ADB Development Round Table on Trade and Economic Development in the Asian and Pacific Region	130.0
Statistical Improvement in South Pacific Developing Member Countries	600.0
Field Testing of True Potato Seed in the Lowland Tropics	433.0 ^a
Regional Study and Workshop on Aquaculture Sustainability and the Environment	600.0
Promoting Subregional Cooperation among Cambodia, PRC, Lao PDR, Myanmar, Thailand and Viet Nam	4,000.0 ^b
Co-Sponsoring International Conference on Gas Technologies	25.0
Conference of the Asian Association of Open Universities	75.0
Regional Community Forestry Training Center (Supplementary)	595.0 ^c
Sixth Workshop on Asian Economic Outlook	105.0
Training DMC Officials on Benefit Monitoring and Evaluation	161.0
Co-Financing of a Regional Seminar on Forest Management for Sustainable Development	100.0
Study on the Economic Implications of the HIV/AIDS Epidemic in Selected DMCs	300.0
Legal Training for the Interim Mekong Committee (Supplementary)	40.0
Regional Study of Environmental Indicators and Indexes	818.0 ^d
Economic Policy Analysis in the Pacific	400.0
Development of Computerized Environmental Impact Assessment Systems	1,000.0 ^e
Preparatory Work for the Study on the Indonesia-Malaysia-Thailand Growth Triangle Development	70.0
Regional Study on Secondary Education	355.0
Regional Conference on Natural Gas Supplies for South Asia	100.0
Analysis for Socio-Cultural Characteristics of the Economic Systems for Pacific Island Developing Member Countries	99.0
Highway Development and Management Research	600.0 ^a
Coastal and Marine Environmental Management in South China Sea	2,400.0 ^f
Study on Indonesia-Malaysia-Thailand Growth Triangle Development	1,400.0
Study on Emerging Trading Environment: Economic Implications for DMCs	350.0
Institutional Strengthening of Asian Disaster Preparedness Center	380.0
Loan Disbursement Seminars in 1994	100.0
Institutional Strengthening and Collection of Environment Statistics in Selected DMCs	900.0
Sixth ADB Round Table on Development Strategies	175.0
Regional Conference on Biodiversity Conservation	200.0
Dissemination and Evaluation of Genetically Improved Tilapia Species in Asia	600.0 ^a
ADB Regional Symposium on Securities Market Regulation and Supervision in Bank DMCs	199.8
Regional Study on the Dropout of Primary Students in South Asia	500.0 ^a
Fourth Symposium on Tax Policy and Reforms in the Asia-Pacific Region	98.0 ^a
Second Training Program on Taxation for Policymakers in DMCs	37.0 ^a
Training Program for the Pacific Region Development Finance Institutions	300.0
Regional Initiatives on Social Development and Women in Development	310.0
Appropriate Technology for Soil-Conserving Farming Systems	600.0
Tuna Industry Development in Pacific Island Countries	495.0
Pacific Islands Private Sector Initiative	100.0
TOTAL	21,370.3

a To be financed from JSF.

b Of this amount, \$1,500,000 is to be financed from JSF.

c To be financed by the Government of Switzerland with the Bank acting as Executing Agency.

d Of this amount, \$400,000 is to be financed by the Government of Norway with the Bank acting as Executing Agency.

e Of this amount, \$420,000 is to be financed by the Government of Norway with the Bank acting as Executing Agency.

f To be financed by the Government of Sweden with the Bank acting as Executing Agency.

Table 32
GRANT-FINANCED TECHNICAL ASSISTANCE APPROVALS BY COUNTRY AND REGIONAL ACTIVITIES,^a
1992, 1993, 1967-1993
(amounts in \$ thousand)

Country	No.	1 9 9 2				1 9 9 3		
		Bank Financing	JSF Financing	Other Sources	Total	%	No.	Bank Financing
Afghanistan	1	100.00	-	-	100.00	0.09	-	-
Bangladesh	21	3,400.75	5,258.00	439.50	9,098.25	8.59	18	4,013.00
Bhutan	5	574.25	300.00	500.00	1,374.25	1.30	6	100.00
Cambodia	3	2,441.00	4,200.00	1,440.20	8,081.20	7.63	5	615.00
China, People's Rep. of	33	9,632.00	4,134.75	-	13,766.75	12.99	38	7,159.00
Cook Islands	-	-	-	-	-	-	1	265.00
Fiji	3	680.00	-	-	680.00	0.64	4	450.00
India	11	2,610.00	1,800.00	99.00	4,509.00	4.26	13	3,569.00
Indonesia	21	1,853.00	6,915.00	1,200.00	9,968.00	9.41	16	2,795.50
Kiribati	2	689.00	-	-	689.00	0.65	2	11.00
Korea, Rep. of	-	-	-	-	-	-	-	-
Lao PDR	13	2,862.00	1,480.00	1,034.00	5,376.00	5.07	19	4,357.50
Malaysia	5	1,150.00	-	-	1,150.00	1.09	5	629.00
Maldives	3	945.00	-	-	945.00	0.89	3	390.00
Marshall Islands	5	1,556.00	300.00	250.00	2,106.00	1.99	5	400.00
Micronesia, Fed. States of	2	408.00	-	350.00	758.00	0.72	3	520.00
Mongolia	12	2,020.90	3,942.50	-	5,963.40	5.63	10	1,799.15
Myanmar	-	-	-	-	-	-	-	-
Nepal	10	1,952.70	-	3,400.00	5,352.70	5.05	16	2,033.00
Pakistan	14	1,055.80	3,585.00	-	4,640.80	4.38	6	1,565.00
Papua New Guinea	5	1,982.00	575.00	-	2,557.00	2.41	4	550.00
Philippines	13	3,010.00	820.00	2,600.00	6,430.00	6.07	16	499.50
Singapore	-	-	-	-	-	-	-	-
Solomon Islands	2	228.50	-	-	228.50	0.22	-	-
Sri Lanka	9	3,540.00	-	670.00	4,210.00	3.97	4	750.00
Taipei, China	-	-	-	-	-	-	-	-
Thailand	10	750.00	2,135.00	100.00	2,985.00	2.82	6	702.00
Tonga	4	290.50	-	-	290.50	0.27	4	180.00
Tuvalu	-	-	-	-	-	-	2	200.00
Vanuatu	3	520.00	-	85.00	605.00	0.57	3	100.00
Viet Nam, Soc. Rep. of	-	-	-	-	-	-	11	3,130.00
Western Samoa	1	350.00	-	-	350.00	0.33	1	-
Sub-Total	211	44,601.40	35,445.25	12,167.70	92,214.35	87.03	221	36,782.65
Regional	52	10,246.02	3,263.90	230.00	13,739.92	12.97	48	12,699.80
T O T A L	263	54,847.42	38,709.15	12,397.70	105,954.27	100.00	269	49,482.45

a Excluding technical assistance financed under loans, which are included in the Bank's loan data.

b Cumulative data are adjusted to exclude TAs withdrawn by government.

1 9 9 3				1 9 6 7 - 1 9 9 3 ^b			
JSF Financing	Other Sources	Total	%	No.	Amount	%	Country
2,970.00	600.00	7,583.00	6.21	16	2,565.70	0.30	Afghanistan
1,725.00	560.00	2,385.00	1.95	180	93,912.57	11.09	Bangladesh
				45	15,434.65	1.82	Bhutan
9,139.30	5,819.40	6,434.40	5.27	10	14,626.60	1.73	Cambodia
	-	16,298.30	13.34	126	54,689.05	6.46	China, People's Rep. of
	-	265.00	0.22	10	1,820.00	0.22	Cook Islands
933.00	-	1,383.00	1.13	39	8,490.30	1.00	Fiji
600.00	-	4,169.00	3.41	51	19,882.50	2.35	India
4,730.00	-	7,525.50	6.16	262	85,958.77	10.16	Indonesia
503.00	-	514.00	0.42	16	3,349.50	0.40	Kiribati
	-	-	-	33	5,010.15	0.59	Korea, Rep. of
3,300.00	2,348.00	10,005.50	8.19	105	47,126.78	5.57	Lao PDR
800.00	600.00	2,029.00	1.66	77	20,362.30	2.41	Malaysia
	-	390.00	0.32	20	5,213.00	0.62	Maldives
800.00	-	1,200.00	0.98	14	4,252.00	0.50	Marshall Islands
1,180.00	-	1,700.00	1.39	8	3,161.00	0.37	Micronesia, Fed. States of
2,938.00	-	4,737.15	3.88	25	11,778.35	1.39	Mongolia
	-	-	-	38	10,716.00	1.27	Myanmar
1,132.50	2,690.00	5,855.50	4.79	159	64,605.70	7.63	Nepal
2,500.00	-	4,065.00	3.33	146	51,864.85	6.13	Pakistan
1,482.00	-	2,032.00	1.66	74	19,726.10	2.33	Papua New Guinea
4,329.50	1,648.00	6,477.00	5.30	190	71,424.80	8.44	Philippines
	-	-	-	2	577.42	0.07	Singapore
	-	-	-	37	7,280.24	0.86	Solomon Islands
188.00	552.00	1,490.00	1.22	117	31,685.00	3.74	Sri Lanka
	-	-	-	1	100.00	0.01	Taipei, China
1,200.00	100.00	2,002.00	1.64	83	22,849.60	2.70	Thailand
995.00	-	1,175.00	0.96	31	7,232.50	0.85	Tonga
	-	200.00	0.16	2	200.00	0.02	Tuvalu
586.00	-	686.00	0.56	24	5,389.76	0.64	Vanuatu
6,818.00	-	9,948.00	8.14	22	11,058.60	1.31	Viet Nam, Soc. Rep. of
270.00	-	270.00	0.22	44	9,289.50	1.10	Western Samoa
49,119.30	14,917.40	100,819.35	82.51	2,007	711,633.29	84.07	Sub-Total
4,855.50	3,815.00	21,370.30	17.49	561	134,809.03	15.93	Regional
53,974.80	18,732.40	122,189.65	100.00	2,568	846,442.32	100.00	T O T A L

Table 33
GRANT-FINANCED TECHNICAL ASSISTANCE APPROVALS BY SECTOR, 1992, 1993, 1967-1993^a
(amounts in \$ thousand)

Sector	1992			1993			1967-1993 ^b		
	No.	Amount	%	No.	Amount	%	No.	Amount	%
Agriculture and Agro-Industry	49	25,319.45	27.46	60	31,073.95	30.82	739	287,731.27	40.43
Energy	25	11,779.25	12.77	22	8,896.50	8.83	227	81,832.35	11.50
Industry and Non-Fuel Minerals	10	3,437.00	3.73	12	4,387.50	4.35	93	24,288.70	3.41
Finance	18	5,412.45	5.87	18	5,523.50	5.48	159	38,616.45	5.43
Transport and Communications	35	12,547.00	13.61	35	19,327.40	19.17	268	95,632.95	13.44
Social Infrastructure	32	13,703.00	14.86	43	18,765.00	18.61	339	114,815.97	16.13
Multisector	1	4,200.00	4.55	1	3,200.00	3.17	18	10,424.00	1.47
Others	41	15,816.20	17.15	30	9,645.50	9.57	164	58,291.60	8.19
T O T A L	211	92,214.35	100.00	221	100,819.35	100.00	2,007	711,633.29	100.00

a Excluding regional activities and technical assistance-financed loans which are included in the Bank's loan data.

b Cumulative data are adjusted to exclude TAs withdrawn by governments.

Table 34
NET TRANSFER OF RESOURCES TO DMCs (OCR), 1983-1993
(amounts in \$ million)

Country	1983-1987 Average	1988	1989	1990	1991	1992	1993
Afghanistan							
Bangladesh	(0.92)	0.01	0.44	(0.33)	(0.32)	1.05	(0.32)
Bhutan	-	-	-	-	-	-	-
Cambodia	-	-	-	-	-	-	-
China, People's Rep. of	-	2.57	50.38	47.98	171.99	142.41	363.37
Cook Islands	-	-	-	-	-	-	-
Fiji	(0.04)	13.71	(7.23)	(12.28)	(0.24)	(3.99)	(7.99)
Hong Kong	(14.48)	-	-	-	-	-	-
India	2.15	52.74	72.49	182.82	445.89	293.16	84.53
Indonesia	99.23	241.36	391.56	348.73	176.17	113.21	58.09
Kiribati	-	-	-	-	-	-	-
Korea, Rep. of	(63.88)	(169.33)	(438.81)	(17.87)	22.07	22.63	(62.49)
Lao PDR	-	-	-	-	-	-	-
Malaysia	(10.99)	(47.34)	(50.79)	(26.09)	(3.82)	(35.18)	(247.93)
Maldives	-	-	-	-	-	-	-
Marshall Islands	-	-	-	-	-	-	-
Mongolia	-	-	-	-	-	-	-
Myanmar	(0.64)	(0.73)	(0.76)	(0.79)	(0.77)	(0.77)	(0.78)
Nepal	-	-	-	0.56	0.71	2.34	(0.01)
Pakistan	0.13	20.75	139.82	109.15	136.53	63.60	76.35
Papua New Guinea	1.70	7.74	6.90	14.48	13.76	(7.59)	(13.69)
Philippines	19.56	(76.71)	(41.00)	46.43	(47.84)	(56.65)	(86.44)
Singapore	(9.59)	(15.35)	(13.29)	(16.76)	(9.84)	(14.89)	(2.85)
Solomon Islands	-	-	-	-	-	-	-
Sri Lanka	(0.97)	0.30	-	-	0.19	0.97	1.25
Taipei, China	(7.30)	(7.65)	(7.19)	(4.06)	(1.43)	-	-
Thailand	9.49	(80.43)	(61.86)	(174.98)	(186.77)	(89.43)	9.54
Tonga	-	-	-	-	-	-	-
Vanuatu	-	-	-	-	-	-	-
Viet Nam, Soc. Rep. of	0.17	(0.11)	(0.22)	(0.22)	(0.44)	-	(0.43)
Western Samoa	-	-	-	-	-	-	-
Regional Equity Investments	-	5.00	34.98	11.66	0.75	-	5.79
TOTAL	23.30	(53.46)	75.43	508.44	716.60	430.87	175.99

Note: Net Transfer of Resources defined as disbursements less repayments and interests/charges received. Includes private sector loans and net equity investments.

Table 35
NET TRANSFER OF RESOURCES TO DMCs (ADF), 1983-1993
(amounts in \$ million)

Country	1983-1987 (Average)	1988	1989	1990	1991	1992	1993
Afghanistan	(0.78)	(1.50)	(1.34)	(1.32)	(1.32)	-	-
Bangladesh	111.64	208.52	300.13	279.80	243.84	287.56	183.27
Bhutan	1.25	3.38	2.97	3.66	4.21	2.14	1.33
Cambodia	-	-	-	-	-	(1.38)	5.35
China, People's Rep. of	-	-	-	-	-	-	-
Cook Islands	0.31	0.00	0.29	0.74	1.14	4.63	1.28
Fiji	-	-	-	-	-	-	-
Hong Kong	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-
Indonesia	5.08	54.92	53.59	106.98	13.48	35.61	45.03
Kiribati	0.21	0.26	0.02	0.67	0.37	0.33	(0.05)
Korea, Rep. of	(0.32)	(0.34)	(0.32)	(0.32)	(0.31)	-	-
Lao PDR	3.20	4.77	30.22	39.32	25.42	13.43	36.03
Malaysia	(0.26)	(0.28)	(0.27)	(0.27)	(0.27)	(0.27)	(0.26)
Maldives	0.47	0.86	0.61	4.06	4.15	3.96	2.25
Marshall Islands	-	-	-	-	-	0.25	0.89
Mongolia	-	-	-	-	10.00	15.90	10.95
Myanmar	24.84	31.46	20.90	1.74	(2.32)	(5.32)	(8.67)
Nepal	29.73	35.52	73.20	57.04	66.66	34.16	54.25
Pakistan	97.94	174.05	199.28	201.01	256.00	152.61	210.94
Papua New Guinea	3.43	8.31	6.79	38.20	50.43	8.33	19.74
Philippines	13.84	31.51	41.09	116.76	91.51	74.66	89.53
Singapore	(0.27)	(0.30)	(0.29)	(1.40)	-	-	-
Solomon Islands	1.59	5.39	3.46	1.98	(0.81)	0.68	2.36
Sri Lanka	31.15	57.09	68.70	101.82	139.45	118.35	109.90
Taipei, China	-	-	-	-	-	-	-
Thailand	8.64	1.99	0.09	(1.28)	(1.78)	(2.00)	(1.97)
Tonga	0.62	1.32	0.48	0.80	0.64	1.22	1.50
Vanuatu	0.37	0.74	3.02	2.54	4.83	0.37	0.62
Viet Nam, Soc. Rep. of	0.44	(0.23)	-	-	-	-	-
Western Samoa	1.42	1.04	1.25	9.85	13.00	2.41	2.87
Regional Equity Investments	-	-	-	-	-	-	-
TOTAL	334.55	618.48	803.87	962.41	918.33	747.64	755.06

Note: Net Transfer of Resources defined as disbursements less repayments and interests/charges received. Includes private sector loans and net equity investments.

Table 36
NET TRANSFER OF RESOURCES TO DMCs (OCR and ADF), 1983-1993
(amounts in \$ million)

Country	1983-1987 Average	1988	1989	1990	1991	1992	1993
Afghanistan	(0.78)	(1.50)	(1.34)	(1.32)	(1.32)	-	-
Bangladesh	110.72	208.53	300.58	279.47	243.52	288.60	182.95
Bhutan	1.25	3.38	2.97	3.66	4.21	2.14	1.33
Cambodia	-	-	-	-	-	(1.38)	5.35
China, People's Rep. of	-	2.57	50.38	47.98	171.99	142.41	363.37
Cook Islands	0.31	-	0.29	0.74	1.14	4.63	1.28
Fiji	(0.04)	13.71	(7.23)	(12.28)	(0.24)	(3.99)	(7.99)
Hong Kong	14.48	-	-	-	-	-	-
India	2.15	52.74	72.49	182.82	445.89	293.16	84.53
Indonesia	104.32	296.28	445.15	455.71	189.65	148.82	103.12
Kiribati	0.21	0.26	0.02	0.67	0.37	0.33	(0.05)
Korea, Rep. of	(64.20)	(169.67)	(439.13)	(18.19)	21.76	22.63	(62.49)
Lao PDR	3.20	4.77	30.22	39.32	25.42	13.43	36.03
Malaysia	(11.25)	(47.63)	(51.07)	(26.36)	(4.09)	(35.44)	(248.19)
Maldives	0.47	0.86	0.61	4.06	4.15	3.96	2.25
Marshall Islands	-	-	-	-	-	0.25	0.89
Mongolia	-	-	-	-	10.00	15.90	10.95
Myanmar	24.19	30.74	20.15	0.95	(3.09)	(6.09)	(9.44)
Nepal	29.73	35.52	73.20	57.61	67.37	36.50	54.23
Pakistan	98.07	194.81	339.10	310.17	392.52	216.22	287.29
Papua New Guinea	5.13	16.05	13.69	52.68	64.19	0.74	6.05
Philippines	33.40	(45.20)	0.09	163.19	43.67	18.01	3.08
Singapore	(9.86)	(15.65)	(13.58)	(18.16)	(9.84)	(14.89)	(2.85)
Solomon Islands	1.59	5.39	3.46	1.98	(0.81)	0.68	2.36
Sri Lanka	30.19	57.39	68.70	101.82	139.64	119.32	111.15
Taipei, China	(7.30)	(7.65)	(7.19)	(4.06)	(1.43)	-	-
Thailand	18.13	(78.44)	(61.78)	(176.26)	(188.55)	(91.42)	7.56
Tonga	0.62	1.32	0.48	0.80	0.64	1.22	1.50
Vanuatu	0.37	0.74	3.02	2.54	4.83	0.37	0.62
Viet Nam, Soc. Rep. of	0.27	(0.33)	(0.22)	(0.22)	(0.44)	-	(0.43)
Western Samoa	1.42	1.04	1.25	9.85	13.00	2.41	2.87
Regional Equity Investments	-	5.00	34.98	11.66	0.75	-	5.79
TOTAL	357.01	565.01	879.30	1,470.85	1,634.93	1,178.51	931.04

Note: Net Transfer of Resources defined as disbursements less repayments and interests/charges received. Includes private sector loans and net equity investments.

FINANCIAL RESOURCES

**Table 37
BORROWINGS, 1993**

Country	Borrowing	Amount in Currency of Borrowing (million)	US\$ Equivalent ^a (million)
Hong Kong	6.52% 8-Year Bonds due 2001	HK\$ 1,000	129.3
Japan	5.675% 20-Year Bonds due 2013	¥ 30,000	238.9
Asian Region	4.00% 5-Year Bonds due 1998	¥ 30,000	254.9
Eurobond Market	5.00% 10-Year Bonds due 2003	¥ 50,000	398.1
	7.875% 10-Year Bonds due 2003	C\$ 250	199.2
	6.375% 10-Year Bonds due 2003	US\$ 500	500.0
T O T A L			1,720.3^b

a At the Bank's exchange rates effective when the terms of the borrowing were determined by the President.

b Total does not tally due to rounding.

Table 38
STATUS OF ASIAN DEVELOPMENT FUND RESOURCES^a
(amounts in \$ millions)

	Valued as of 31/12/92 US\$Equiv.	Change in 1993			Valued as of 31/12/93 US\$Equiv.	SDREquiv. ^d
		Addition US\$Equiv.	Exchange Rate Adjustments ^c US\$Equiv.	Net Change US\$Equiv.		
Contributed Resources^b						
Australia	580.16	-	(8.43)	(8.43)	571.73	416.24
Austria	129.33	-	(8.40)	(8.40)	120.93	88.04
Belgium	110.02	6.09	(9.24)	(3.15)	106.87	77.81
Canada	896.45	-	(35.82)	(35.82)	860.63	626.57
Denmark	114.60	-	(8.75)	(8.75)	105.85	77.06
Finland	64.57	1.45	(5.97)	(4.52)	60.05	43.72
France	586.68	-	(38.71)	(38.71)	547.97	398.94
Germany	1,010.86	-	(64.63)	(64.63)	946.23	688.89
Hong Kong	2.63	-	-	-	2.63	1.91
Indonesia	4.96	-	-	-	4.96	3.61
Italy	351.55	-	(48.09)	(48.09)	303.46	220.93
Japan	7,421.57	-	841.69	841.69	8,263.26	6,015.94
Korea, Republic of	11.65	-	-	-	11.65	8.48
Nauru	0.43	-	-	-	0.43	0.32
Netherlands	343.07	20.13	(22.21)	(2.08)	340.99	248.26
New Zealand	26.73	-	2.35	2.35	29.08	21.17
Norway	76.72	-	(6.05)	(6.05)	70.67	51.45
Spain	73.17	6.01	(15.22)	(9.21)	63.96	46.57
Sweden	124.66	-	(19.10)	(19.10)	105.56	76.85
Switzerland	185.44	-	(2.69)	(2.69)	182.75	133.05
Taipei, China	5.25	-	-	-	5.25	3.82
Turkey	39.20	-	-	-	39.20	28.54
United Kingdom	394.23	29.44	(9.78)	19.66	413.89	301.33
United States	1,867.60	-	-	-	1,867.60	1,359.67
Total Contributed Resources	14,421.54	63.12^e	540.94	604.06	15,025.60	10,939.16
Additional Resources						
Set-Aside Resources	65.46	-	(0.06)	(0.06)	65.40	47.61
Transfers from TASF	1.24	-	(0.07)	(0.07)	1.17	0.85
Unrealized Investment Holding Gains	-	4.32	-	4.32	4.32	3.15
Accumulated Translation Adjustments ^f	39.80	3.62	-	3.62	43.42	31.61
Accumulated Surplus	735.48	73.09	-	73.09	808.57	588.67
Total Additional Resources	841.98	81.03	(0.13)	80.90	922.88	671.89
Total Resources	15,263.52	144.15	540.81	684.96	15,948.48	11,611.05
Less: Amounts Disbursed and Outstanding	8,183.17	825.86	366.18	1,192.04	9,375.21 ^g	6,825.48
Total Undisbursed Resources	7,080.35	(681.71)	174.63	(507.08)	6,573.27	4,785.57
ADF Lending Limitation^h	6,880.82				6,390.03	4,652.17
Less: Amounts Committed but Undisbursed:						
Denominated in US Dollars	118.82	(92.38)	-	(92.38)	26.44	19.25
Denominated in SDRs	5,760.22	219.47	(8.84)	210.63	5,970.85	4,346.99
ADF Lending Headroomⁱ	1,001.78				392.74	285.93
Advance Commitment Authority	454.90^j				326.92^k	238.01
Total Commitment Authority	1,456.68				719.66	523.94

Note: Figures may not add due to rounding.

a Excludes advance payments totalling \$728.81 million representing amounts of ADF VI contributions paid but not available for loan commitments as of 31 December 1993.

b Amounts are adjusted for exchange rate changes and do not necessarily correspond to the initial ADF contributions of individual countries.

c Relates to balances as of 31 December 1992 and additions in 1993.

d Valued at the rate of \$1.37356 per SDR as of 31 December 1993.

e Represents the first tranches of contributions to the Fifth ADF Replenishment (ADF VI) after allocating 3.33% to TASF in accordance with Resolution No. 214.

f Accumulated Translation Adjustments are the cumulative changes, up to the end of the reporting period, in the US dollar value of net assets created by accumulated surplus

g Net of \$0.65 million allowance for possible losses as of 31 December 1993.

h Equal to a proportion, referred to as the gearing ratio, of total undisbursed resources. The gearing ratio is the ratio, determined on the basis of a US dollar appreciation of 10%, of the total value of the basket of contributed resources to the total value of the basket of committed but undisbursed loans.

i Equal to the difference between the lending limitation and the amount of committed but undisbursed loans.

j Equal to 85% of projected ADF investment income and loan repayments during the period 1 January 1993–31 December 1995.

k Equal to 85% of projected ADF investment income and loan repayments during the period 1 January 1994–31 December 1995.

Table 39
TECHNICAL ASSISTANCE SPECIAL FUND
(US Dollar Equivalent; as of 31 December 1993)^a

Contributor	Total Contributions	Amount Utilized
Direct Voluntary Contributions		
Australia	2,484,371	2,484,371
Austria	151,888	149,704
Bangladesh	47,352	47,352
Belgium	1,361,773	1,325,523
Canada	3,345,751	3,345,751
China, People's Rep. of	600,000	600,000
Denmark	1,962,529	1,962,529
Finland	237,201	237,201
France	1,697,451	1,697,451
Germany	3,314,813	3,314,813
Hong Kong	100,000	100,000
India	2,409,276	2,291,549
Indonesia	250,000	250,000
Italy	774,147	774,147
Japan	47,710,427	47,710,427
Korea, Rep. of	1,900,000	1,900,000
Malaysia	909,129	909,129
Netherlands	1,337,478	1,337,478
New Zealand	1,095,632	1,095,632
Norway	3,278,953	3,278,953
Pakistan	990,563	990,330
Singapore	100,000	100,000
Spain	189,580	189,580
Sri Lanka	6,309	6,309
Sweden	861,358	861,358
Switzerland	1,035,043	1,035,043
Taipei, China	200,000	200,000
United Kingdom	5,616,741	5,616,741
United States	1,500,000	1,500,000
Sub-total	85,467,766	85,311,372
Regularized Replenishment Contributions ^b	203,994,911	165,676,795
Transfers to Asian Development Fund	(1,255,517)	(1,255,517)
Allocation from OCR Net Income	110,000,000	28,181,004
Other Resources ^c	29,284,465	16,997,104
T O T A L	427,491,625	294,910,757

a The amount of contribution is valued as the sum of the amount utilized, translated at the exchange rates used by the Bank on the respective dates of utilization, and the amount unutilized, translated at the exchange rates used by the Bank on 31 December 1993.

b Represents the TASF portion of contributions to the Replenishment of the Asian Development Fund and the Technical Assistance Special Fund authorized by Governors' Resolution Nos. 182 and 214.

c Represents income, repayments and reimbursements accruing to TASF since April 1980.

Table 40
JAPAN SPECIAL FUND
Statement of Operations and Unexpended Balances
(amounts in \$ million)

	1988	1989	1990	1991	1992	1993	Total
Contributions committed	35.8	58.8	63.4	32.9	69.4	88.6	348.9
Translation adjustments	—	(8.0)	5.8	11.1	1.2	17.7	27.8
	35.8	50.8	69.2	44.0	70.6	106.3	376.7
Revenue	1.2	3.2	7.0	9.9	7.9	7.8	37.0
Total	37.0	54.0	76.2	53.9	78.5	114.1	413.7
Expenses	1.6	9.6	16.0	22.8	27.5	34.9	112.4
Exchange loss	—	—	—	—	—	0.1	0.7
Unexpended Balances at End of the Year	<u>35.4</u>	<u>44.4</u>	<u>60.2</u>	<u>30.6</u>	<u>50.9</u>	<u>79.1</u>	<u>300.6</u>

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SUMMARY OF BUDGET FOR 1994**Internal Administrative Expenses**

(amounts in \$ thousand)

	1993			
	Budget	After Transfers ^a	Actual ^b	1994 Budget
I. BOARD OF GOVERNORS	<u>267</u>	<u>267</u>	<u>223</u>	<u>887</u>
II. BOARD OF DIRECTORS	<u>6,973</u>	<u>6,973</u>	<u>6,677</u>	<u>7,051</u>
Salaries	3,622	3,622	3,527	3,783
Benefits	1,862	1,862	1,746	1,952
Relocation	415	562	562	231
Business Travel	478	331	319	504
Staff Services	596	596	523	581
III. STAFF	<u>116,526</u>	<u>116,526</u>	<u>112,618</u>	<u>121,706</u>
Salaries	63,363	63,363	62,482	66,303
Benefits	42,552	42,552	41,413	45,141
Relocation	2,613	2,613	2,359	2,373
Consultants	7,998	7,998	6,364	7,889
IV. BUSINESS TRAVEL & REPRESENTATION	<u>10,861</u>	<u>10,861</u>	<u>9,225</u>	<u>11,309</u>
Business Travel	10,660	10,660	9,061	11,094
Representation	201	201	164	215
V. OTHER ADMINISTRATIVE EXPENSES	<u>25,700</u>	<u>25,700</u>	<u>23,013</u>	<u>25,640</u>
Communications	2,721	2,721	2,645	2,806
Office Occupancy	5,172	5,172	4,763	5,553
Library	523	523	529	619
Expendable Supplies	1,843	1,843	1,625	1,639
Office Equipment	2,299	2,299	2,000	2,331
Contractual Services	3,837	3,837	3,019	3,802
Insurance	465	465	365	421
Depreciation	8,702	8,681	7,936	8,347
Miscellaneous	138	138	110	122
Special Activity – Taejon		21	21	
VI. GENERAL CONTINGENCY	1,603	1,603	–	1,666
TOTAL	161,930	161,930	151,756	168,259

a Transfers were made between Budget Items within the other Budget Categories without exceeding the amount of each Category.

b Excludes: (1) \$1,588,000 as provision for severance pay; (2) – \$397,000 as provision for accumulated compensated absences; (3) \$13,000 as bank charges pertaining directly to ADF and JSF; (4) an adjustment of \$3,649,000 on account of pension costs computed in compliance with US Financial Accounting Standards (FAS) 87; (5) an adjustment of \$7,567,000 as provision for accrued post-retirement benefit in compliance with FAS 106, which are included in the total internal administrative expense of \$164,477,000 as shown in the financial statements. (After deducting \$17,000 directly charged to the Scholarship Program, the total internal administrative expenses have been distributed as follows: OCR – \$88,866,000 (Ref. OCR-2), ADF – \$74,658,000 (Ref. ADF-2), TASF – \$2,000 (Ref. TASF-2), and JSF – \$632,000 (Ref. JSF-2).

APPENDIX 2**RESOLUTIONS OF BOARD OF GOVERNORS ADOPTED DURING 1993**

Resolution No.	Subject	Date Adopted
219	Membership of Tuvalu and Increase in Authorized Capital Stock	25 April 1993
220	Procedures for the Election of Directors at the Twenty-Sixth Annual Meeting	5 May 1993
221	Place and Date of Twenty-Seventh Annual Meeting	5 May 1993
222	Financial Statements and Independent Auditors' Reports	6 May 1993
223	Allocation of Net Income	6 May 1993
224	Membership of Kazakhstan and Increase in Authorized Capital Stock	6 August 1993
225	Membership of Kyrgyzstan and Increase in Authorized Capital Stock	6 August 1993
226	Membership of Uzbekistan and Increase in Authorized Capital Stock	6 August 1993
227	Decisions Relating to Section 7(B)(a) of the By-Laws	11 November 1993
228	Retirement Benefits for Incoming President	11 November 1993

BOARD OF GOVERNORS
(As of 31 December 1993)

EDMOND ALPHANDERY (France) (Chairman)
JAE-HYONG HONG (Republic of Korea) (Vice-Chairman)
MAHESH ACHARYA (Nepal) (Vice-Chairman)

MEMBER	GOVERNOR (to be advised)	ALTERNATE GOVERNOR (to be advised)
AFGHANISTAN, REPUBLIC OF		
AUSTRALIA	Ralph Willis ¹	Gordon Bilney ²
AUSTRIA	Ferdinand Lacina	Hans Dietmar Schweisgut
BANGLADESH	Mohammad Saifur Rahman	M. L. Majid ³
BELGIUM	Ph. Maystadt	J. P. Arnoldi ⁴
BHUTAN	Yeshey Zimba ⁵	Sonam Wangchuk ⁶
CAMBODIA	Sam Rainsy ⁷	Cham Prasidh ⁸
CANADA	André Ouellet ⁹	C. Scott Clark ¹⁰
CHINA, PEOPLE'S REPUBLIC OF	Zhu Rongji ¹¹	Chen Yuan
COOK ISLANDS	G. A. Henry	Alistair Rutherford
DENMARK	Ole Loensmann Poulsen ¹²	Ellen Margrethe Løj
FIJI	Paul F. Manuela	Ratu Jone Y. Kubuabola
FINLAND	Mauri Eggert ¹³	Kirsti Eskelinen ¹⁴
FRANCE	Edmond Alphandery ¹⁵	Christian Noyer ¹⁶
GERMANY	Hans-Peter Repnik	Klaus Regling ¹⁷
HONG KONG	N.W.H. Macleod	Joseph Yam ¹⁸
INDIA	Manmohan Singh	M. S. Ahluwalia
INDONESIA	Mar'ie Muhammad ¹⁹	J. Soedradjad Djiwandono ²⁰
ITALY	Antonio Fazio ²¹	Mario Draghi
JAPAN	Hirohisa Fujii ²²	Yasushi Mieno
KIRIBATI	Taomati Iuta	Ntiua Tetinaniku
KOREA, REPUBLIC OF	Jae-Hyong Hong ²³	Myung-Ho Kim ²⁴
LAO PEOPLE'S DEMOCRATIC REPUBLIC	Khamxay Souphanouvong ²⁵	Pany Yathotou ²⁶
MALAYSIA	Datuk Seri Anwar Ibrahim	Dato Mohd. Sheriff Mohd. Kassim
MALDIVES	Ismail Shafeeu	Khadeeja Hassan

1 Succeeded John Dawkins in December.

2 Succeeded John Kerin in April.

3 Succeeded Enam Ahmed Chaudhury in February.

4 Succeeded M. J. Vanormelingen in December.

5 Succeeded Dawa Tsering in September.

6 Succeeded Bap Kesang in September.

7 Appointed in December.

8 Appointed in December.

9 Succeeded Perrin Beatty in December. Perrin Beatty succeeded Barbara McDougall in July.

10 Succeeded Frederick W. Gorbet in May.

11 Succeeded Li Guixian in August.

12 Succeeded Henrik Woehlk in June.

13 Succeeded Ilkka Ristimaki in January.

14 Succeeded Taisto Huimasalo in June.

15 Succeeded Michel Sapin in April.

16 Succeeded Jean-Claude Trichet in September.

17 Succeeded Eckard Pieske in July.

18 Succeeded D.A.C. Nendick in January.

19 Succeeded J. B. Sumarlin in April.

20 Succeeded Adrianus Mooy in April.

21 Succeeded Carlo Azeglio Ciampi in May.

22 Succeeded Yoshiro Hayashi in August.

23 Succeeded Yong-Man Rhee in March.

24 Succeeded Soon Cho in March.

25 Succeeded Sisavath Sisane in March.

26 Succeeded Soulignong Nhouyanivong in March.

APPENDIX 3

MEMBER	GOVERNOR	ALTERNATE GOVERNOR
MARSHALL ISLANDS	Ruben R. Zackras	Amon Tibon
MICRONESIA, FEDERATED STATES OF	Aloysius J. Tuuth	Lorin Robert ²⁷
MONGOLIA	Demchigjavyn Molomzhants	S. Ochirpurey ²⁸
MYANMAR	Win Tin ²⁹	(to be advised) ³⁰
NAURU	Vinci N. Clodumar	Kinza Clodumar
NEPAL	Mahesh Acharya	Thakur Nath Pant
NETHERLANDS	W. Kok	J. P. Pronk
NEW ZEALAND	William F. Birch ³¹	Murray Horn ³²
NORWAY	Asbjoern Mathisen	Torild Skard
PAKISTAN	V. A. Jafarey ³³	R. A. Akhund
PAPUA NEW GUINEA	Julius Chan	Gerea Aopi
PHILIPPINES	Ernest Leung ³⁴	Gabriel Singson ³⁵
SINGAPORE	Richard Hu Tsu Tau	Ngiam Tong Dow
SOLOMON ISLANDS	Christopher C. Abe	Snyder Rini
SPAIN	Javier Gomez-Navarro ³⁶	Miguel Angel Feito Hernandez
SRI LANKA	D. B. Wijetunga	R. Paskaralingam
SWEDEN	Alf Samuelsson	Lennart Baage
SWITZERLAND	Nicolas Imboden	Louis Currat
TAIPEI, CHINA	Samuel C. Hsieh	Chung-Ying Lee
THAILAND	Tarrin Nimmanahaeminda	Aran Thammano ³⁷
TONGA	J. C. Cocker	Kinikinilau Tutoatas Fakafanua ³⁸
TURKEY	Osman Ünsal ³⁹	M. Bülent Özgün ⁴⁰
TUVALU	(to be advised) ⁴¹	Mose Saitala ⁴²
UNITED KINGDOM	Lynda Chalker	N. B. Hudson ⁴³
UNITED STATES	Lloyd Bentsen ⁴⁴	Joan E. Spero ⁴⁵
VANUATU	Willie Jimmy	Harry Collins ⁴⁶
VIET NAM, SOCIALIST REP. OF	Cao Sy Kiem	Le Van Chau
WESTERN SAMOA	Tuitaepa S. Malielegaoi	Epa Tuioti

27 Succeeded Asterio R. Takesy in April.

28 Appointed in June.

29 Succeeded D. O. Abel in March.

30 Win Tin resigned in March.

31 Succeeded Ruth Richardson in November.

32 Succeeded Graham Scott in May.

33 Succeeded Syed Babur Ali in November.

34 Succeeded Ramon R. del Rosario in June.

35 Succeeded Jose L. Cuisia in July.

36 Succeeded Jose Claudio Aranzadi Martinez in September.

37 Succeeded Pandit Bunyapana in July.

38 Succeeded Baron Vaea in May.

39 Succeeded Tevfik Altinok in August.

40 Succeeded Kemal Kabatas in August.

41 Alesana Kleis Seluka resigned in December.

42 Appointed in April.

43 Succeeded P.D.M. Freeman in August.

44 Appointed in March. Nicholas F. Brady resigned in January.

45 Appointed in August. Robert B. Zoellick resigned in January.

46 Succeeded Antoine Pikioune in May.

BOARD OF DIRECTORS AND VOTING GROUPS
 (As of 31 December 1993)

DIRECTOR	ALTERNATE DIRECTOR	MEMBERS REPRESENTED ¹
Muhammad Akbar ²	Vicente R. Jayme ³	Maldives; Marshall Islands; Mongolia; Pakistan; Philippines
Daniel Besson ⁴	René Legrand	Belgium; France; Italy; Spain; Switzerland
Anthony F. Burger	Raimo Anttola ⁵	Canada; Denmark; Finland; Netherlands; Norway; Sweden
Che Peiqin	Zhou Yuequn ⁶	People's Republic of China
Adrian Davis ⁷	Hans-Jürgen Stryk ⁸	Austria; Germany; Turkey; United Kingdom
Susumu Fujimoto	Soichi Yoshimura ⁹	Japan
Kyung-Woo Kim	Lloyd Fernando ¹⁰	Republic of Korea; Papua New Guinea; Sri Lanka; Taipei, China; Vanuatu
P.K. Lahiri	Qazi Shamsul Alam	Bangladesh; Bhutan; India; Lao People's Democratic Republic; Socialist Republic of Viet Nam
Peter McCawley	John S. Evers	Australia; Hong Kong; Kiribati; Federated States of Micronesia; Nauru; Solomon Islands; Tuvalu
Soegito Sastromidjojo ¹¹	Colin Pratt	Cook Islands; Fiji; Indonesia; New Zealand; Tonga; Western Samoa
U Soe Thwin ¹²	Syed Muhammad Abdul Kadir ¹³	Malaysia; Myanmar; Nepal; Singapore; Thailand
Linda Tsao Yang ¹⁴	Carl T. Delfeld	United States

1 In alphabetical order within each group.

2 Succeeded Vicente R. Jayme on 1 July.

3 Succeeded Muhammad Akbar on 1 July.

4 Succeeded Giovanni Montagna on 10 July.

5 Succeeded Erkki Laurila on 1 November.

6 Succeeded Zhu Zhong on 1 March.

7 Succeeded Heinz Bübler on 1 July.

8 Succeeded Adrian Davis on 1 July.

9 Succeeded Toshiki Kanamori on 2 August.

10 Succeeded Vai Reva on 1 July.

11 Succeeded Sofjan Djajawinata on 1 July.

12 Succeeded Anthony Tan Song Chuan on 1 July.

13 Succeeded U Soe Thwin on 1 July.

14 Elected with effect from 23 November to succeed Victor H. Frank, Jr. who was Director until 28 February.

COMMITTEES OF THE BOARD OF DIRECTORS
(As of 31 December 1993)

AUDIT COMMITTEE

Anthony F. Burger (Chairman)

Adrian Davis

Muhammad Akbar

Peter McCawley

Soegito Sastromidjojo

U Soe Thwin

BUDGET REVIEW COMMITTEE

P. K. Lahiri (Chairman)

Daniel Besson

Che Peiqin

Susumu Fujimoto

Kyung-Woo Kim

Linda Tsao Yang

PRINCIPAL OFFICERS
(As of 31 December 1993)

PRESIDENT'S OFFICE

Mitsuo Sato	President
Günther Schulz	Vice President (Finance and Administration)
Bong-Suh Lee	Vice President (Projects)
William R. Thomson	Vice President (Operations)

STRATEGIC PLANING UNIT

Shoji Nishimoto	Manager
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CO-FINANCING AND COORDINATION UNIT

Rip Min	Manager
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OFFICE OF THE SECRETARY

D. C. Amerasinghe *	Secretary
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OFFICE OF THE GENERAL COUNSEL

Peter H. Sullivan	General Counsel
Pablo S. Trillana III	Assistant General Counsel
Eisuke Suzuki	Assistant General Counsel
Bruce A. Purdue	Assistant General Counsel

PROGRAMS DEPARTMENT (EAST)

Eiichi Watanabe	Director
Vishvanath V. Desai	Deputy Director
Bruce Murray	Programs Manager (Programs East I – People's Rep. of China; Mongolia; Taipei, China)
R. Swaminathan	Programs Manager (Programs East II – Hong Kong; Indonesia; Malaysia; Singapore)
Werner M. Schelzig	Programs Manager (Programs East III – Rep. of Korea; Marshall Islands; Federated States of Micronesia; Nauru; Papua New Guinea; Philippines)

SOUTH PACIFIC REGIONAL OFFICE

Lewis Hayashi	Director
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INDONESIA RESIDENT OFFICE

Eiji Kobayashi	Chief
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PROGRAMS DEPARTMENT (WEST)

Noritada Morita	Director
Dinh Xuan Vinh	Deputy Director
Frank J. Polman	Programs Manager (Programs West I – Rep. of Afghanistan; Maldives; Pakistan; Sri Lanka)
Bhanuphol Horayangura	Programs Manager (Programs West II – Bangladesh; Bhutan; India; Nepal)
Ricardo M. Tan	Programs Manager (Programs West III – Cambodia; Lao People's Democratic Rep.; Myanmar; Thailand; Socialist Rep. of Viet Nam)

BANGLADESH RESIDENT OFFICE

G. H. P. B. van der Linden	Chief
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PAKISTAN RESIDENT OFFICE

Akira Seki	Chief
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NEPAL RESIDENT OFFICE

Abdul Gaffar Nasution	Chief
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INDIA RESIDENT OFFICE

Richard O. Wada	Chief
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DEVELOPMENT POLICY OFFICE

Satish C. Jha	Chief Economist concurrently Chief, Development Policy Office
K. H. Moinuddin	Assistant Chief

* Appointment effective 3 January 1994.

APPENDIX 6
CONTINUED

ECONOMICS AND DEVELOPMENT RESOURCE CENTER

Satish C. Jha	Chief Economist concurrently Chief, Development Policy Office
John Malcolm Dowling, Jr.	Assistant Chief Economist (Economic Analysis and Research)
Jungsoo Lee	Assistant Chief Economist (Project Economic Evaluation)
William T. C. Ho	Assistant Chief Economist (Statistics and Data Systems)

AGRICULTURE DEPARTMENT

Richard M. Bradley	Director
Yang Weimin	Deputy Director
Nihal Amerasinghe	Manager (Agriculture Division I – People's Rep. of China; Mongolia; Myanmar; Philippines; Taipei,China)
M. E. Tusneem	Manager (Agriculture Division II – Hong Kong; Indonesia; Rep. of Korea; Malaysia; Singapore)
Hans-Juergen Springer	Manager (Agriculture Division III – Bangladesh; Cambodia; Lao People's Democratic Rep.; Thailand; Socialist Rep. of Viet Nam)
Robert C. May	Manager (Agriculture Division IV – Bhutan; India; Marshall Islands; Federated States of Micronesia; Nauru; Nepal; Papua New Guinea; South Pacific DMCs)
Theodore C. Patterson	Manager (Agriculture Division V – Rep. of Afghanistan; Maldives; Pakistan; Sri Lanka)

SOCIAL DIMENSIONS UNIT

Musunuru S. Rao	Manager
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INFRASTRUCTURE DEPARTMENT

Sayed A. Baha	Director
Eustace A. Nonis	Deputy Director
Günter Hecker	Manager (Transport and Communications Division – East)
Nalin P. Samarasinghe	Manager (Transport and Communications Division – West)
Javier M. Gomez	Manager (Water Supply and Urban Development Division – East)
James E. Rockett	Manager (Water Supply and Urban Development Division – West)
William M. Fraser	Manager (Education, Health and Population Division – East)
Shigeko M. Asher	Manager (Education, Health and Population Division – West)

PRIVATE SECTOR DEPARTMENT

Vacant	Director
A. Timothy Peterson	Acting Deputy Director
Keon-Woo Lee	Manager, Private Sector Support Unit
Mumtaz Iqbal	Manager (Area Division I – Rep. of Afghanistan; Bhutan; Federated States of Micronesia; Maldives; Marshall Islands; Nepal; Papua New Guinea; Philippines; Sri Lanka)
M.S. Parthasarathy	Manager (Area Division II – Cambodia; People's Rep. of China; Indonesia; Lao People's Democratic Rep.; Myanmar; Thailand; Socialist Rep. of Viet Nam)
J. Antonio M. Quila	Manager (Area Division III – Bangladesh; Hong Kong; India; Rep. of Korea; Malaysia; Mongolia; Pakistan; Singapore; Taipei,China; South Pacific DMCs)

ENERGY AND INDUSTRY DEPARTMENT

Shehzad M. Sadiq	Director
V. Krishnaswamy	Deputy Director
Paul M. Dickie	Manager (Industry and Minerals)
Alan D. Burrell	Manager (Power Division East – People's Rep. of China; Federated States of Micronesia; Hong Kong; Indonesia; Rep. of Korea; Malaysia; Marshall Islands; Mongolia; Nauru; Papua New Guinea; Philippines; Singapore; South Pacific DMCs; Taipei,China)
Vladimir Bohun	Manager (Power Division West – Rep. of Afghanistan; Bangladesh; Bhutan; Cambodia; India; Lao People's Democratic Rep.; Maldives; Myanmar; Nepal; Pakistan; Sri Lanka; Thailand; Socialist Rep. of Viet Nam)

OFFICE OF THE ENVIRONMENT

Kazi F. Jalal Chief
B. N. Lohani Assistant Chief

CENTRAL PROJECTS SERVICES OFFICE

Neil R. Collier Chief
Lim Say Hup Manager (Consulting Services)
Jean-Pierre Vu Manager (Central Projects Administration Coordination)

BUDGET, PERSONNEL AND MANAGEMENT SYSTEMS DEPARTMENT

Tsuyoshi Takahashi Director
Tony Wan Deputy Director
Suresh A. Seshan Manager (Budget and Management Services)
Charles F. Coe Manager (Human Resources)
Chua Suay Bah Manager (Training and Development)
Richard Eyre Acting Manager (Compensation and Benefits)

OFFICE OF ADMINISTRATIVE SERVICES

N. Viswanathan Chief
John Ling Manager (General Services)
Turhan K. Mangun Manager (Support Services)
K. S. Subramanian Manager (Facilities Management)

CONTROLLER'S DEPARTMENT

Ivan L. Zimonyi Controller
Than Win Assistant Controller (Accounting)
S. Kalyanaraman Assistant Controller (Disbursement Division - East)
Louis Wong Assistant Controller (Disbursement Division - West)

TREASURER'S DEPARTMENT

Tadahiro Asami Treasurer
Erkki K. Jappinen Assistant Treasurer (Funding)
Chi-Chuan Hung Assistant Treasurer (Investments)
Dalheue Coue Assistant Treasurer (Treasury Services)
Ian M. Hay Assistant Treasurer (Financial Policy)

INFORMATION OFFICE

Maurice D. Bauche Chief Information Officer
Robert H. Salomon Assistant Chief Information Officer

OFFICE OF COMPUTER SERVICES

John W. Thorp Chief

INTERNAL AUDIT OFFICE

Bernard Donge Chief

POST-EVALUATION OFFICE

A. I. Aminul Islam Chief
Devinder Singh Assistant Chief

FORMER ADB PRESIDENTS AND VICE-PRESIDENTS**PRESIDENTS**

Mr. Takeshi Watanabe	—	24 November 1966 - 24 November 1972
Mr. Shiro Inoue	—	25 November 1972 - 23 November 1976
Mr. Taroichi Yoshida	—	24 November 1976 - 23 November 1981
Mr. Masao Fujioka	—	24 November 1981 - 23 November 1989
Mr. Kimimasa Tarumizu	—	24 November 1989 - 24 November 1993

VICE-PRESIDENTS

Mr. C.S. Krishna Moorthi	—	19 December 1966 - 31 March 1978
Mr. A.T. Bambawale	—	1 April 1978 - 28 October 1985
Mr. M. Narasimham	—	1 November 1985 - 31 July 1988
Mr. S. Stanley Katz	—	1 April 1978 - 28 September 1990
Mr. In Yong Chung	—	1 August 1988 - 31 July 1993

MAJOR ADB PUBLICATIONS

STUDIES AND REPORTS

- Agricultural Development in Papua New Guinea: Policies and Issues (1992)
- Agriculture Sector Profile of the Philippines (1991)
- Asian Development Bank Economic Staff Paper Series
- Asian Development Bank Economics and Development Resource Center Report Series
- Asian Development Bank Occasional Papers Series
- Asian Development Bank Statistical Report Series
- Bangladesh Health and Population Sector Profile (1989)
- A Bank for Half the World, The Story of the Asian Development Bank 1966-1986*
- Comparative Advantage in the Livestock and Feedstuff Sectors in the ASEAN Region (Agriculture Dept. Staff Paper No. 2) (1991)
- Costing and Pricing of Electricity in Developing Countries (1982)
- Disaster Management: A Disaster Manager's Handbook (1992)*
- Disaster Mitigation in Asia and the Pacific (1991)*
- Distance Education: Professional Staff Paper (1985)
- Distance Education in Asia and the Pacific (Volumes I & II) (1986)
- Economic Cooperation in the Greater Mekong Subregion
- Economic Policies for Sustainable Development (1990)
- Economic Policies for Sustainable Development – Indonesia (1992)
- Education Broadcasting and Distance Education as a Strategy for Revitalizing Education of the Disadvantaged (1990)
- Education and Development in Asia and the Pacific (Second Edition, 1991)
- Education in Asia and Pacific Series 1: Lao People's Democratic Republic, First Edition (1993)
- Electric Utilities Data Book for the Asian and Pacific Region, Fourth Edition (1993)*
- Energy Data Training Program and Workshop Proceedings (1989)
- Energy Indicators of Developing Member Countries of ADB (1992)*
- Environment and Development: A Pacific Island Perspective (1992)*
- Environment Legislation and Administration: Briefing Profiles of Selected Developing Member Countries of the Asian Development Bank (ADB Environment Paper No. 2) (1989)*
- Environmental Considerations in Energy Development (1991)
- Environmental Evaluation of Coastal Zone Projects: Methods and Approaches (ADB Environment Paper No. 8) (1991)
- Environmental Guidelines for Selected Agricultural and Natural Resources Development Projects (1987)
- Environmental Guidelines for Selected Industrial and Power Development Projects (1988)
- Environmental Guidelines for Selected Infrastructure Development Projects (1986)
- Environmental Loan Covenants: Helping Ensure the Environmental Soundness of Projects Supported by the Asian Development Bank (ADB Environment Paper No. 10) (1992)
- Environmental Loan Covenants: Principles, Checklists and Samples (ADB Environment Paper No. 12) (1993)
- Environmental Planning and Management (1986)
- Environmental Planning and Management and the Project Cycle (ADB Environment Paper No. 1) (1988)
- Environmental Risk Assessment: Dealing with Uncertainty in Environmental Impact Assessment (ADB Environment Paper No. 7) (1991)
- Evaluating Rice Market Intervention Policies: Some Asian Examples (1986)
- Export Finance: Some Asian Examples (1990)
- Financing Public Sector Development Expenditures in Selected Countries (Overview and Country Studies) (1988)
- Fisheries Sector Profile of Papua New Guinea (1991)
- Fisheries Sector Profile of the Philippines (1993)
- Fish Health Management in Asia-Pacific (1992)
- Foreign Direct Investment in the Asia-Pacific Region (1988)
- Gender Indicators of Developing Asian and Pacific Countries (1993)*
- Gender Issues in Agriculture (1990)
- A Generation of Growth (1992)
- Guidelines for Integrated Regional Economic-cum Environmental Development Planning (Volumes I & II) (ADB Environment Paper No. 3) (1988)
- Guidelines for the Health Impact Assessment of Development Projects (ADB Environment Paper No. 11) (1992)
- Handbook on the Use of Pesticides in the Asia-Pacific Region (1987)
- Health, Population and Development in Asia and the Pacific (1991)
- How to Assess Environmental Impacts on Tropical Islands and Coastal Areas – Training Manual (1990)
- Human Resource Policy and Economic Development: Selected Country Studies (1990)
- Improving Domestic Resource Mobilization Through Financial Development (Overview and Country Studies) (1986)
- Indonesia Urban Sector Profile: An Update (1988)
- Indonesia Water Supply and Sanitation Sector Study (1990)
- Industrial Crops in Asia (Agriculture Dept. Staff Paper No. 7) (1993)
- Informal Finance: Some Findings from Asia**
- Integrated Pest Management in the Asia and Pacific Region (1992)
- Integration of Environmental Considerations in the Program Cycle (ADB Environment Paper No. 5) (1990)
- Leasing in Developing Asia (1987)
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- Mangrove Forests: A Valuable but Threatened Indo-Pacific Resource (Agriculture Dept. Staff Paper No. 5) (1992)
- Minimum Quality Criteria for Ecologically Sensitive Areas (ADB Environment Paper No. 4) (1989)
- Mongolia: A Centrally Planned Economy in Transition (1992)**
- National Accounts of Cook Islands: 1982-1986
- National Accounts of Vanuatu: 1983-1987
- National Accounts of Western Samoa: 1984-1986
- Papua New Guinea: Urban Sector Profile (1992)
- Papua New Guinea Water Supply and Sanitation Sector Profile (Volumes I & II) (1987)
- People's Republic of China: Port Sector Review (1988)
- Population Pressure and Natural Resources Management (ADB Environment Paper No. 6) (1991)
- Poverty Alleviation: Insights and Strategies (1990)
- Poverty Alleviation through Human Resource Development: Some Issues (1990)
- Power Plant Maintenance Management (Volumes I & II) (1988)
- Rainfed Agriculture in Asia and the Pacific (1988)
- Regional Conference on Sail-Motor Propulsion (1985)
- Regional Cooperation in Technology Ventures in Small and Medium Industry (1989)

Copies of these publications may be obtained through the Publications Unit, Information Office, Asian Development Bank, P.O. Box 789, 0980 Manila, Philippines. All are free of charge (sent via surface mail), except those with asterisk (*).

Regional Seminar on Performance Evaluation in Asia and the Pacific (1992)	Sustainable Agricultural Development (Concepts, Issues and Strategies) (Agriculture Dept. Staff Paper No. 1) (1991)
Regional Seminar on Policies and Strategies for Livestock Development (1993)	Technical and Vocational Education and Training – Proceedings of the Regional Seminar on Vocational Education and Training (1990)
Regional Seminar on Transport Policy (Volumes I & II) (1989)	Technologies to Improve In-class Instruction (1988)
Regional Workshop on Sustainable Agricultural Development In Asia and the Pacific Region (1992)	Technology in Distance Education: Future and Issues (1990)
Remote Sensing and Geographic Information System for Natural Resource Management (ADB Environment Paper No. 9) (1991)*	Thailand Water Supply and Sanitation Sector Profile (Volumes I & II) (1988)
Review of the Scope for Bank Assistance to Urban Transport (1989)	Training Workshop on Environmental Impact Assessment and Evaluation: Proceedings and Training Manual (Volumes I & II) (1988)
Review of Bank Operations in the Irrigation Sector 1966-1985	Tree Crop Sector Development in Indonesia (Agriculture Dept. Staff Paper No. 6) (1993)
The Role of Small and Medium-Scale Manufacturing Industries in Industrial Development: The Experience of Selected Asian Countries (1990)	Tropical Tree Nuts Production in South Pacific (Agriculture Dept. Staff Paper No. 3) (1991)
Rural Development in Asia and the Pacific (Volumes I & II) (1984)	The Urban Poor and Basic Infrastructure Services in Asia and the Pacific (Volumes I-III) (1991)
Rural Employment Creation in Asia and the Pacific (1986)	Use of Rural Health Services (1986)
Sector Paper on Livestock (Agriculture Dept. Staff Paper No. 4) (1991)	Water Utilities Data Book, Asian and Pacific Region (1993)*
Study of Selected Industries: A Brief Report (1988)	Women and Water: Domestic Shallow Well Water Supplies (1990)
Subregional Economic Cooperation: Initial Possibilities for Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam and Yunnan Province of the People's Republic of China	Workshop Proceedings on Economic-cum-Environmental Planning (1988)

INFORMATION BROCHURES AND OTHER PUBLICATIONS

ADB Business Opportunities (monthly, by subscription)*
Asian Development Bank: Co-Financing Brochure
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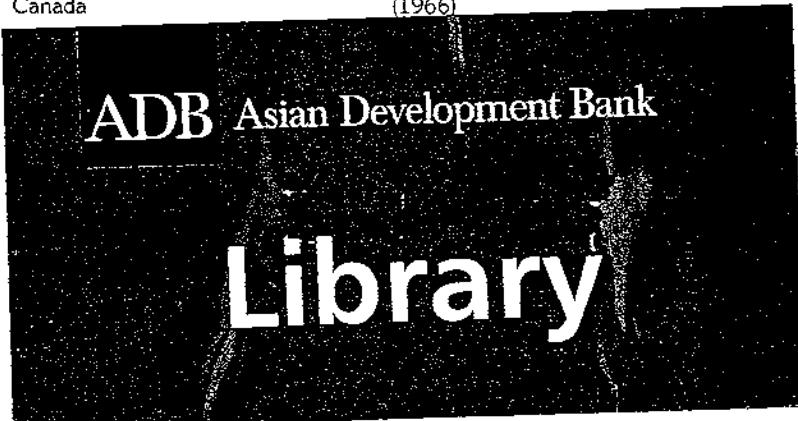
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