Asian Perspectives: Mobilizing Resources

At the opening of the Sixth Annual Forum on Asian Perspectives, held jointly by the Asian Development Bank (ADB) and The Organisation for Economic Co-operation and Development (OECD) Center in Paris on 3-4 July, ADB President Tadao Chino noted, “Asia faces daunting development challenges at the same time official development assistance is becoming increasingly scarce.” The Forum’s theme, “Development Resource Mobilization in the Postcrisis Period,” was thus particularly appropriate, he said.

Funding is needed to reduce poverty in Asia.

President Chino Tours Spain, France, Germany

ADB President Tadao Chino visited Spain and France from 29 June to 4 July and Germany from 10 to 12 July to promote greater awareness of development trends and opportunities in the Asian and Pacific region.

On 29 June, at a meeting held in Madrid to inform Spanish bankers of business opportunities in the region, President Chino detailed ADB’s new private sector development strategy and enjoined participants to harness their experience of Latin American business in the context of Asian economies.

Angel Martín-Acebes, Subdirector General, Ministry of Economy and Finance, offered the Spanish Government’s support, citing that it had contributed recently US$2 million to ADB’s Technical Assistance Trust Fund. On 30 June, President Chino reiterated his message to leading Spanish business in the context of Asian economies.

The President observed that the roles of the state and private sector in developing countries are changing. “We must explore ways to mobilize and to utilize resources to meet the needs of our developing partners,” he said.

The Forum drew a mixed and informed audience who participated in debate and discussion. On the first day, an open panel discussion was hosted by the French Ministry of Economy, Finance, and Industry. The interests of more than 250 participants varied widely, but remained within the general

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Spain Launches Fund to Fight Poverty in Asia and the Pacific

Spain agreed on 1 July to establish a Spanish Cooperation Fund for Technical Assistance to help fight poverty in Asia and the Pacific. The Asian Development Bank (ADB) will administer the fund, which Spain launched with a contribution of US$2 million.

“This welcome support from a highly valued member will strengthen our fight against poverty, which has become our overarching goal,” said ADB President Tadao Chino at a press conference in Madrid on that day.

The fund, which will be untied, will be made available for technical assistance grants, which are generally used for project preparation, advisory services, and project implementation. Spain has indicated that it would prefer the assistance to be directed to poverty-related sectors, including water treatment and supply, health, and education.

Spain has earlier committed over US$100 million to ADB’s concessional Asian Development Fund, which provides low-interest loans with long maturities to ADB’s least developed members.

Since 1995, Spain has also provided cofinancing totaling US$135 million for five development projects: the Ulaanbaatar Heat Efficiency Project in Mongolia, the Jamuna Bridge Railway Link in Bangladesh, Subic Bay Area Municipal Development in the Philippines, the Fujian Pacific Electric Co. in the People’s Republic of China, and an export financing facility to Thailand to aid its recovery from the Asian crisis.

ADB Lending Rates for Second Half of 2000

The Asian Development Bank (ADB) has increased the lending rates on its US dollar loan facility from 6.46 percent to 6.53 percent per annum.

The rate on multicurrency loans, on the other hand, has decreased from 5.72 percent to 5.68 percent per annum.

The new lending rates apply from 1 July to 31 December 2000. The interest rates on ADB’s multicurrency and US dollar loans are adjusted on 1 January and 1 July each year.

For each facility, the lending rate is determined by adding a spread (currently 0.6 percent per annum) to the preceding six months average cost of the respective pools of outstanding ADB borrowings established to fund such loans.

ADB Directors for European Members

<table>
<thead>
<tr>
<th>Director</th>
<th>Alternate Director</th>
<th>Director’s Advisor</th>
<th>Members Represented</th>
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<tbody>
<tr>
<td>Patrick Thomas</td>
<td>Jose Miguel Cortes</td>
<td>Laurent Matile</td>
<td>Belgium, France, Italy, Spain, Switzerland</td>
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<tr>
<td>Uwe Henrich</td>
<td>Cahit Akinç</td>
<td>Frank N. Black</td>
<td>Austria, Germany, Turkey, United Kingdom</td>
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<tr>
<td>Julian H. Payne</td>
<td>Erik Johnsson</td>
<td>Martinus Verwey</td>
<td>Denmark, Finland, The Netherlands, Norway, Sweden (and Canada)</td>
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As of 1 August 2000.
The intention was to produce a master bidding document for most international aid agencies. Procurement of goods is the main area of procurement and the use of consultants. As in the case of the standard bidding documents, it will first be necessary to decide on a framework for the guidelines so that these organizations have identical sections and clause titles, even though the content of clauses may differ.

Good news! Breakthroughs are finally being achieved in standardizing procurement procedures.

For more information, visit http://www.adb.org/Procurement/bidding.asp

Frank Sharples, Manager, Central Operations Services Office, Asian Development Bank, contributed this article.
theme of seeking means of sustaining and accelerating postcrisis growth and development.

The second day’s expert seminar considered five presentations from the organizing institutions on mobilizing domestic resources, the need for foreign savings, privatization and the private sector’s participation in development projects, and the development policies of members of OECD’s Development Assistance Committee.

“This partnership between ADB and the OECD Development Center has yielded, yet again, an excellent and stimulating conference,” said Christine Wallich, Director, ADB’s Infrastructure, Energy, and Financial Sectors Department (West) and concurrent Head, ADB’s Private Sector Group.

She added, “I think we focused on the big issues for postcrisis Asia: transparency, the role of the private sector in development, as well as the impact of the international financial institutions—including ADB—and official development assistance in overcoming problems left by the crisis.”

The Development Center’s President Jorge Braga de Macedo agreed. “We have to recognize,” he said, “that this meeting of the Forum reinforced the idea that globalization will only benefit states insofar as they can adapt to it through policies and institutions that promote good governance.” President de Macedo said he is particularly excited by the fact that the multidisciplinary and multisection audience was virtually unanimous in its appreciation of the link between globalization and governance: “The beauty of this event is that it allows us to get a take on problems from a number of perspectives. When these perspectives start to converge, as we have seen here during the Forum, solutions begin to appear.”

The process of convergence is still not easy. Though he found the debate intellectually stimulating and relevant, Hafiz Ahmed Pasha, Managing Director of the Social Policy and Development Center in Pakistan, was particularly fascinated by the discussion on the appropriate composition of private financial flows for maximum impact on growth and development. “More work needs to be done,” he concluded.

From the perspective of the private sector, Frans van Loon of ING-Barings, appreciated the special mix he found at the Forum and used the occasion to chide the international financial institutions for their lack of proactiveness. Van Loon said the meeting was important to deliver the private sector’s point of view on development in Asia to the multilateral, academic, and media audience. “ADB has much more potential for effectively working with the private sector,” he noted.

As a result of the Forum, a book, Sustainable Recovery in Asia: Mobilizing Resources for Development, will be published in November. The volume will be launched in several Asian cities as well as in Frankfurt, where the European Representative Office is located.

**When these perspectives start to converge...solutions begin to appear.”**

Jorge Braga de Mercado, President, OECD Development Center

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**ERO Fields 170 Missions**

Since the European Representative Office (ERO) was officially opened on 11 December 1996, its staff has fielded about 170 missions to enhance public awareness of and support for the Asian Development Bank in its 14 European members. The countries most visited were France, Germany, and United Kingdom.

The interest groups met most often were government agencies, export and trade promotion organizations, and multilateral institutions. New interest groups include nongovernment organizations, academia, and the media.

These figures exclude work in Frankfurt, where ERO is located.

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**ADB’s 34th Annual Meeting to be Staged in Honolulu**

The Thirty-Fourth Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) will be held in Honolulu, Hawaii from 9 to 11 May 2001.

A program of seminars will be held over the period of the meeting, commencing on Monday, 7 May.

Hotel accommodations for Annual Meeting participants have been block-booked by ADB’s Secretariat and will be handled by an agency in Honolulu. Details will be posted on ADB’s web site by 1 October 2000.

For more information, send an e-mail to annualmeeting@adb.org
At OECD, President Chino held talks with Secretary General Donald J. Johnston and Deputy Secretary Generals Sally Shelton-Colby and Seiichi Kondo. They agreed to strengthen cooperation to improve corporate governance and public sector management and reduce poverty.

Later that day, President Chino joined leading French industrialists and gave further details of ADB’s new private sector development strategy. He also met Stéphane Pallez, Deputy Treasury Director at the French Ministry of Economy, Finance, and Industry and discussed matters of mutual interest, focusing on the views, concerns, and interests of the French constituency.

On July 4, before flying back to Asia, he met Antoine Poullieute, Chief Executive Officer; Agence Française de Développement. President Chino was accompanied in France by ADB Director Patrick Thomas; ADB Alternate Director Manuel Sanchez-Melero; S. Nishimoto; C. Wallich; Robert Salamon, Chief, ADB’s Office of External Relations; Hisashi Ono, ADB’s Senior Executive Advisor to the President; and K.W. Lee, ADB’s Regional Representative in Europe.

On 9 July, President Chino returned to Europe to attend on 10-11 July the Tidewater Seminar in Bonn. The Development Assistance Committee of OECD and the German Government hosted the seminar. On 11 July, he traveled to the Deutsche Entwicklungs Gesellschaft (DEG) in Cologne and discussed with Stephan Kinnemann, Chief Executive Officer; DEG ways to step up the business relationship between the two institutions.

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President Chino... (continued from page 1)

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On 3 July, President Chino attended in Paris the sixth ADB-OECD International Forum on Asian Perspectives. He emphasized that, with two thirds of the world’s poor living in Asia and the Pacific, poverty must be vanquished in the region for us to win the global war on poverty. To win the battle against poverty, it is important to address the issue of development resource mobilization. Necessary steps in this direction include efforts in

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Improving Financial Management and Governance

The Asian Development Bank (ADB) was declared the Asian and Pacific region’s “Best Agency” in the Asiaweek edition of 18-25 August. Asiaweek commended ADB for its focus on soft development issues such as governance and financial transparency.

Asiaweek’s commendation is based on research findings that governance arrangements strongly influence development outcomes, such as infant mortality rates and adult literacy levels. It also reflects analyses of the causes of the 1997 Asian financial crisis. ADB, like other funding agencies, undertook major studies to identify contributing factors to the crisis. The studies found that poor governance arrangements—particularly poor financial governance—had a major influence. Consequently, ADB identified two key reform priorities: strengthening banking supervision and regulation, and improving financial reporting standards and their enforcement.

There is a global trend to standardize financial reporting. In October 1998, finance ministers of the Group of 7 endorsed the efforts of the International Accounting Standards Committee to develop a comprehensive set of international accounting standards. Earlier this year, the International Organization of Securities Commissions recommended that its members allow multinational companies to use international accounting standards.

In June, the European Commission recommended that a single set of accounting standards be adopted for corporate reporting throughout the European Union. The Commission stated that it believes that “the adoption of International Accounting Standards is the way forward.” In July, the meeting of European Finance Ministers invited the European Commission to prepare urgently a proposal for implementing international accounting standards. Even the US Securities and Exchange Commission is considering allowing international accounting standards to be used for US financial reporting.

ADB is in tune with these trends. In the past, even though ADB provided substantial support to improve financial management arrangements, these activities were not centrally coordinated. In June 1999, the new position of Lead Financial Specialist was created within ADB’s Economics and Development Resource Center. The Lead Financial Specialist, with the support of a specialist team, is the focal point for ADB’s financial management activities. Aside from providing routine assistance to ADB staff on financial matters, he spearheads three specific initiatives.

Examining financial management arrangements. ADB wants to support the establishment of sound accounting and auditing arrangements and practices in its developing member countries. But clear priorities must first be identified. A regional study is under way to assess financial management arrangements and capabilities and develop recommendations in seven developing member countries. The participating countries are Cambodia, People’s Republic of China, Mongolia, Pakistan, Papua New Guinea, Uzbekistan, and Viet Nam. The study covers a broad range of issues within both the public and private sectors, including regulatory frameworks, professional bodies, education and training, financial reporting standards, accounting and auditing practices, and external assistance. The assessments and recommendations will help formulate an action plan for each country. The action plans will not only provide guidance for each government but will also give information about the activities of ADB and other donors. Workshops are being conducted in each participating country to discuss and debate the study’s findings and recommendations. A regional conference will be held in Manila on 16-18 October to present the study’s findings and recommendations for each country, and examine regional accounting and auditing trends.

Updating financial management and financial analysis guidelines. Things have moved on since ADB’s guidelines for financial management and financial analysis were issued in 1989. There is a strong global push to improve accountability and transparency by using international accounting standards. Also, much has been learned about assessing the financial viability of projects and the financial management capabilities of executing agencies. ADB’s guidelines for financial management and financial analysis are being updated to reflect these developments, and a revised set should be released by December.

Harmonizing financial management and financial analysis guidelines. The multilateral development banks each have their own operational guidelines and procedures. Meeting the differing compliance requirements is inconvenient and costly for developing countries. In response, the multilateral development banks have established task forces to develop harmonized guidelines and procedures. Standardizing guidelines for financial management and financial analysis is part of the overall initiative, but total harmonization will take several years. At this point, the multilateral development banks are, therefore, standardizing particular aspects of the guidelines including auditor-selection procedures, adherence to financial covenants, tariff and user charge policies, and treatment of subsidies, among others.

Francis Narayan, Lead Financial Specialist, Economics and Development Resource Center, Asian Development Bank, contributed this article.
ADB News Releases on the Web

**Releases for June 2000**

ADB Workshop on Economic Prospects of People’s Republic of China (1 June)
New ADB Microfinance Strategy will be Key Tool in Fight Against Poverty (6 June)
Kyrgyz Communities to Operate and Maintain Water Supply and Sanitation Systems (8 June)
Asia Development Forum: Partnership the Key to New East Asian Prosperity (8 June)
President Chino Opens Resident Mission in People’s Republic of China (16 June)
ADB Helps Strengthen Mongolia’s Financial Sector (22 June)
Strategy to Develop Small and Medium Businesses in Philippines and Indonesia (23 June)
Forest Project in Sri Lanka Protects Both the Poor and the Trees (28 June)

**Releases for July 2000**

Spain Launches Fund to Fight Poverty in Asia-Pacific Region (1 July)
ADB Lending Rates for Second Half of 2000 (3 July)
ADB Backs Awareness Program to Improve Manila Air Quality (6 July)

ADB Seminar for Securities Regulators (14 July)
Clean-up for Manila’s Pasig River (20 July)
Private Concessionaire to Manage ADB-Assisted Tollway in India (27 July)

**Releases for August 2000**

ADB to Open Resident Mission in Mongolia (1 August)
Repairing East Timor’s Ruined Water Systems (2 August)
New Railway to Link Poor Provinces in People’s Republic of China (17 August)
ADB President Receives Honorary Degree (18 August)
Workshop Aims to Reverse Asia’s Environmental Deterioration (21 August)
French Contribution to ADB Technical Assistance Fund (24 August)
US$45 Million to Help Educate Philippine Technicians (24 August)
Primary Health Care for Ethnic Minorities of Northern Lao PDR (24 August)
Paul David to Talk on Digital Divide (28 August)


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ERO’s Web Site Comes to Life

The web site of the European Representative Office (ERO) is born! It offers information on ERO’s role and mission, ADB’s European members, and ways to contact us. It also puts on view ERO’s newsletters. We have loaded ERO’s calendar of missions and events so that you may contact our staff by e-mail should you wish to meet them in your country on the dates indicated.

We also share our presentations on topics such as the Asian crisis, the social impact of the Asian crisis, co-optation of nongovernment organizations, poverty reduction in Asia and the Pacific, ADB’s operations in Central Asia, economic cooperation in the Greater Mekong subregion, ADB’s financial assistance for private sector projects, incorporation of social dimensions in ADB-financed projects, and how to work with ADB. Links are provided to institutional web sites that greatly facilitate information hunting and gathering or list major events taking place in Asia and the Pacific.

http://www.adb.org/ERO/
To improve the performance of bureaucratic organizations charged with implementing development projects and programs, international assistance has traditionally employed the following three approaches.

- **Improving technologies available to development managers**, thereby enabling them to use resources more efficiently and to perform more effectively. This transfer-of-technology approach includes financial methods such as budgeting, accounting, and expenditure control; improving the speed and accuracy of information flows, particularly through computers; and more rational methods of scheduling, monitoring, and implementing development projects and programs.

- **Rationalizing organization and procedures and adjusting structures**. This approach has focused on building institutions in ways that enhance their internal capabilities and improve their ability to interact productively with their external environment and thus sustain the development activities for which they are responsible.

The three approaches described are fairly technocratic, however, and have not always been fully adapted to the uncertainties, complexities, and societal pluralism that characterize the environments in which they operate. Hence new methods have been developed to complement them.

- **Reforming structures**. Structural approaches have been concerned with administrative decentralization, institutional devolution, the organization of work to relax the rigidities of conventional bureaucratic structures, and the use of paraprofessionals from local communities and associations to implement development projects and programs.

- **Reinventing operational procedures**. The reform of operational procedures has been concerned with information management to maintain the integrity of information in bureaucratic structures and with social marketing to determine what society wants and what methods of supplying services it would prefer.

- **Motivating**. Motivational approaches relate to rewards and punishments, working conditions, participatory management, and civil service compensation.

- **Strengthening accountability**. More recently, we have also seen greater attention to responsiveness and accountability and a desire on the part of the public sector to resist political pressures at the level of development project and program implementation.

- **Eradicating corruption**. We are also witnessing renewed efforts to minimize corruption, negligence, and arbitrary behavior in the public sector.

**The importance of management education and training**. But international assistance to improve bureaucratic performance may have underestimated the value of enhancing managerial skills by education and training, and by establishing and strengthening training institutions and programs. Clearly, the role of development managers is crucial to social and economic development and their management capacities should be improved. This is necessary because the insights, attitudes, and skills that equip development managers for their various responsibilities come from
many sources outside formal education or training.

To identify the areas for improvement, however, it is first necessary to identify these responsibilities. Five functions or roles can be identified for development managers and, for each, targeted management education and training is required.

**Instrumental functions.** For the instrumental functions of development managers, education and training should enhance:

- generic management techniques (e.g., financial, personnel and human relations, informational, supervisory, structural, and procedural); and
- program management skills (e.g., the processes of design, implementation, and evaluation of individual service, regulatory, enterprise, and promotional activities sponsored by governments).

**Political functions.** For the political functions of development managers, education and training should reinforce:

- skills of policy analysis, both generic and specific to the substantive sectors in which development managers are expected to achieve specialized competence;
- sensitivity to methods for coping with interbureaucratic influences, societal forces, and political interventions that impinge on development projects and programs; and
- appreciation of the differential benefits and costs of policy and program outputs on the publics they affect.

**Entrepreneurial functions.** For the entrepreneurial functions of development managers, education and training should enhance appreciation of the opportunities and limitations of proactive management styles outside normal operating routines. These include management interventions that attempt to modify policies, invigorate operations, recombine resources in fresh patterns, and enhance both staff and public participation in development projects and programs.

**Interorganizational functions.** For the interorganizational functions of development managers, education and training should develop:

- insights, attitudes, and skills that equip development managers for their various responsibilities come from many sources outside formal education or training.
- analytical insights, such as linkage management and
- operating skills, such as environmental mapping, required for policy and program implementation that involve two or more government agencies and multi-institutional service networks.

**Public interest functions.** For the public interest functions of development managers, education and training should strengthen:

- skills in identifying and articulating long-term societal goals and in shaping policies and development projects and programs that implement these goals; and
- criteria and methods of dealing with the ethical dilemmas that inevitably confront development managers.

**Performance evaluation.** Although the specific functions and roles of development managers vary, the criteria by which their performance should be evaluated can be grouped under five headings. The common management goals of effectiveness (e.g., achieving intended outputs) and efficiency (e.g., the economical employment of resources) remain necessary. They are not, however, sufficient guides for development managers.

Accordingly, management performance must also be oriented toward, and assessed by, three other interconnected values. These are responsiveness (e.g., success in meeting actual demand and the needs of society while heeding its preferences and convenience), outreach (e.g., success in promoting participation and resource contributions from society), and sustainability (e.g., success in ensuring the continuity of services by innovating and adapting to new circumstances, maintaining support from society, and garnering the required resources).

These are the demanding but nevertheless attainable criteria by which development managers should expect to be evaluated.
The Bank of the Future

Earlier this year, I attended in Frankfurt, Germany a conference on “The Bank of the Future,” organized by the International Bankers Forum of Germany in association with Deutsche Bank, the Frankfurter Allgemeine newspaper, and EDS, an information technology and service company. The conference was focused on the implications of the digital economy and on the role of banks in the digital economy. It also featured a special lecture on the future of money.

The digital economy. The two panels on the implications of the digital economy and on the role of banks in the digital economy made little progress. Alarmed at the threat of Internet-based competitors such as E-Loan—which invites favorable, on-line comparison with the more expensive services provided by 70 banks in the United States—the panelists argued that the Internet might impact on traditional providers of financial products as it did on share trading. They stressed the need for banks to focus on core competencies, to realign horizontally, and to embark on permanent change management. However, they were not able to discern the exact nature of the competition facing banks, and could, therefore, only recommend wide-ranging preparations lacking a logical framework.

The future of money. In contrast, the lecture on the future of money presented by Professor Bernard Lietaer was enlightening. Professor Lietaer argued that the nature of money has not changed fundamentally for the last 300 years, but that it is about to. In support of his argument, he delineated three mutually reinforcing trends causing mutations in the international monetary system, in geopolitics, and in information technology. First, he explained that the mutation in the international monetary system is because of the fact that “Big Money” is no longer on the side of governments: it has different, multiple masters and is quite volatile. This volatility is encouraged by the lack of an international standard of value and the incessant fluctuations of the US dollar. Next, he pointed out that the mutation in geopolitics owes to the end of the Cold War and to globalization. Until the late 1980s, the main actors on the world stage were nation states, acting through treaties and armies. They are now corporations or nongovernment organizations operating through deals and lobbies. Last, he noted that the mutation in information technology is by reason of the communications revolution leading us from the industrial age into the information age.

In the industrial age, banks were protected by the monopoly of access and were the main profit centers. In the information age, however, banks gradually lost their monopoly of access through the successive rise of mainframe computers, personal computers, and the Internet. Since money is an agreement and little else, Professor Lietaer observed that it can assume new forms when the conditions demand it.

New forms of money now include credit cards, smart cards, e-cash, electronic purses, and Internet payment systems. But other forms of money may also spread, such as the frequent flier miles programs introduced by airline companies, which are reminiscent of the credit card innovations pioneered by oil companies and Diner’s Club. In addition to airplane tickets, these programs also allow clients to buy other services, e.g., limousine transport and hotel accommodation. And, reportedly, British Airways has just entered into an agreement with Sainsbury’s, enabling its passenger miles to be redeemed in that company’s retail stores across the United Kingdom.

Professor Lietaer made the case that the ongoing consolidation in frequent flier miles programs will encourage the emergence of similar forms of money over the next two to three years, and that a “global barter cur-
currency” will appear eventually. If banks ignore this trend, corporations will set up their own countertrade departments and form alliances. Rather, banks should join the corporations that take such initiatives, since they might wish to brand their names through association. But, whatever happens, money in the future will be backed increasingly by baskets of services, as it used to be backed by gold or silver. And, unlike present day currencies, the new global barter currency will be stable and automatically convertible. It will act as a real means of exchange, rather than as a store of value. It could even provide a safety net against future currency uncertainties, or function in counter-cyclical with business cycles.

In Germany, the number of meetings held to discuss topics such as those mentioned above is high. So far, they have failed to produce workable responses because the exact nature of the competition facing banks is still not readily visible. Nevertheless, two conclusions can be drawn from the discussions on the digital economy and the future of money.

**Conclusions on the digital economy.** It is not difficult to see that banks—that have until now profited just because they are in a particular location—will find, increasingly, that just being there is no longer sufficient. Since the Internet makes geography less and less important, the global economy will soon witness more and more electronic, on-line banks that have no branches. These low-overhead electronic banks will be extremely competitive, and transactions will be made via computer appliances. There will also be less need for cash because most purchases will be settled through new forms of money, such as those mentioned earlier. Thus, banks will be especially vulnerable to price wars, with clients selecting banks only on the basis of costs and interest rates. Banks must therefore find ways to maintain their identity and to justify their roles as middlemen by adding value.

To add value, banks must create, market, and deliver banking packages to niche segments of the population. For this, they must use software tools that make it easier for their clients to learn about and use their services. They must intensify their presence on the Internet by becoming closer and more responsive to their clients.

Clients would then be able to tell banks what they like and dislike, and banks would respond by offering banking services tailored to the needs of individual clients. This can be done with software that will, for instance, gather data from several accounts, analyze spending patterns, calculate tax liabilities, view investments in “what-if” scenarios specified against goals, build reports, and generate this data for spreadsheets and chart creation. Ze Project, a new electronic bank, is pioneering one such approach to customized home banking.

**Conclusions on the future of money.** The global barter currency may take longer to eventuate than Professor Lietaer expects. But it has intuitive appeal and would cause a further segmentation in the services provided by banks. This would require a different response from that just suggested. So, it may well be that only the large, traditional banks would be in a position to respond to the formation of counter-trade departments by large corporations, leaving smaller banks to reinvent themselves as electronic, on-line banks providing customized home banking.

Olivier Serrat, Liaison Officer, European Representative Office, Asian Development Bank, contributed this article.

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1. Professor Lietaer is currently Research Fellow at the Center for Sustainable Resource Development of the College of Natural Resources, University of California, Berkeley. His latest book is *The Future of Money: Beyond Greed and Scarcity.*

2. Now, most people bank with an institution that has a branch office near their home or near their workplace.

3. Ze Project is the first portal devoted to home-based financial services. Ze Project is a new approach to customer-bank relations, a website that invites clients (both existing and prospective) to discuss available financial services with one another, a community that lets each visitor build his or her own ideal bank by defining and expressing specific investment needs, and a forum where users can participate in savings-oriented games and competitions. It targets European consumers and Internet users. It hopes to meet their expectations with concrete responses underpinned by clarity, accessibility, round-the-clock service, efficiency, user-friendly services, and tailor-made services.
## ERO Calendar 2000

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<tr>
<td>14-15 September</td>
<td>Business Opportunities Seminar Institution of Highways and Transport Conference on Infrastructure Projects</td>
<td>Helsinki, Finland</td>
<td><a href="mailto:oserrat@adb.org">oserrat@adb.org</a></td>
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<td>15 September</td>
<td>Business Opportunities Seminar Institution of Highways and Transport Conference on Infrastructure Projects</td>
<td>Glasgow, Scotland</td>
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<td>18 September</td>
<td>Business Opportunities Seminar</td>
<td>Oslo, Norway</td>
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<td>20 September</td>
<td>Business Opportunities Seminar</td>
<td>Stockholm, Sweden</td>
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<td>22 September</td>
<td>Business Opportunities Seminar Bank for International Settlement Seminar on Recent Developments in Financial Systems and their Challenges for Economic Policy</td>
<td>Copenhagen, Denmark</td>
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<td>28-29 September</td>
<td>Business Opportunities Seminar Bank for International Settlement Seminar on Recent Developments in Financial Systems and their Challenges for Economic Policy</td>
<td>Frankfurt, Germany</td>
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<td>6 October</td>
<td>Senior External Advisory Panel: Consultations in Donor Countries</td>
<td>Paris, France</td>
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<td>9 October</td>
<td>Senior External Advisory Panel: Consultations in Donor Countries</td>
<td>Copenhagen, Denmark</td>
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<td>17-20 October</td>
<td>Carl Duisberg Foundation International Conference on Environmental Requirements in World Trade</td>
<td>Hanover, Germany</td>
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<td>European Investment Bank Forum on Regional Development: Making Efficient Use of Financial Resources</td>
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<td>24 October</td>
<td>Business Opportunities Seminar</td>
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<td>20 November</td>
<td>Book Launch on the Sixth International Forum on Asian Perspectives Organized by ADB and the OECD Development Center</td>
<td>Frankfurt, Germany</td>
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<td>Lyon, France</td>
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Contact ERO staff by e-mail should you wish to meet on the dates indicated.

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In Our Next Issue...

The ERO Newsletter will be featuring an article on **E-Business**. The article will discuss:

- E-Markets
- E-Politics
- E-Labor
- E-Security

Don’t miss it!