

Preface

For more than two decades, the Asian Development Bank has increasingly supported the integration of environmental concerns in development work. Central to this endeavor are ADB's consistent attempts at systematizing the approach towards addressing environmental concerns in the Asian and Pacific region. Landmark contributions in terms of publications include the *Economic Analysis of Environmental Impacts of Development Projects* as early as 1986, and more recently the *Economic Evaluation of Environmental Impacts: A Workbook* in 1996.

This book complements the efforts of the 1996 Workbook and the 1986 book (the latest edition of which was published in 1994 in cooperation with the World Bank) by covering more issues in environmental analysis. A key feature is the inclusion of ten cases where environmental economic methods were used to evaluate development projects. These ten cases illustrate practical approaches to environmental economic analysis in situations where information and time are limited and entail a lot of resources. The book provides case-specific examples of bringing environmental concerns to focus. Thus, it can provide guidance based on real world examples for project designers and evaluation experts on how to use environmental valuation for project design. From these examples, it can be concluded that the inclusion of environmental valuation in project design improves of project quality.

The book does not claim to be an economic analysis methodology text, nor a valuation methodology guide. It is a sourcebook that can assist in enhancing environmental improvements in development projects despite time, budget, and skills constraints. The methods used in the ten cases follow the *Economic Evaluation of Environmental Impacts: A Workbook* (1996). This approach directs analysis toward decision-based applications. It facilitates decisions through the provision of information, which can enhance the environmental quality of projects.

The field of environmental economics is dynamic. Rapid developments and changes have brought much controversy in certain areas. The last paragraph of the book's conclusion conveys its purpose precisely:

“... this book provides a wide range of illustrations and circumstances that will help project planners and economists to evaluate the environmental impacts of projects. More importantly, perhaps, these many illustrations provide a rich laboratory for the continued reassessment of the full range of project activities that can contribute to economic development and environmental improvement. For too long it has been believed that economic development was destructive of the environment. Much of it was, but none of it needed to be. If economic development is undertaken correctly—and if it is evaluated properly—these case studies illustrate just how complementary the two can be. That should be the essential lesson of this book.”

Acknowledgments

As is usually the case, this book is the product of many individuals' hard work. We wish to acknowledge our many colleagues and associates in the Asian Development Bank (ADB) who have contributed to the publication of this book.

Mention is due to Kazi F. Jalal, Cedric D. Saldhana, and Jill G. de Villa, whose help resulted in the staff consultancy study, out of which the initial draft of this book was made possible. We also wish to acknowledge J. Warren Evans for taking administrative responsibility towards the completion of publication, and Environment Division staff for various inputs ranging from comments to assistance in typing the manuscript. Lily C. Bernal deserves special acknowledgment for transforming the draft to its final form through her editing skills. We also wish to thank Raveendranath Rajan and his staff for bringing the manuscript to its book form.

The authors take sole responsibility for the views expressed in this book. Yet this book would not have been possible without the valuable comments solicited from our colleagues. For the case studies, the following project officers provided valuable comments, insights, and materials on the case studies: Edvard M. Baardsen, David B. Boggs, Hans G. Carlson, Siew Tuan Chew, J. Warren Evans, Brian Fawcett, Aminul Huq, Alex K. Jorgensen, Toshio Kondo, and Tahir S. Qadri. The project officers and economists assigned to the projects used as cases generously provided their time to answer questions and make clarifications.

There were several people who were especially supportive of our work and therefore deserve special mention, or re-mention since most of them have also been cited above in their capacity as project officers or reviewers. These are Robert J. Dobias, Paul M. Dickie, P.N. Fernando, Aminul Huq, Rita R. Nangia, and Tahir S. Qadri.

Our reviewers consisted of the project officers and the following colleagues who provided comments: Ramesh Adhikari, Nessim Ahmad, Ali Azimi, John Boyd, Peter W.B. Choynowski, Stephen R. Curry, Jill G. de Villa, David Edwards, Marco P. Gatti, Prodipto Ghosh, Peter N. King, Rita R.

Nangia, Daniele Ponzi, Alan S. Roach, Suzanne M. Scheierling, Darius Teter, Henry G. Tucker, Dewi N. Utami, Ma Xiaoying, Qialun Ye, and Sadiq H. Zaidi. We also wish to thank some colleagues outside ADB who gave enlightening comments on certain issues including those related to Appendix 2: Allan Krupnick, *Resources for the Future*; H.B. Kotagama, University of Peradeniya; Jeffrey R. Vincent and G.K. Shukla of HIID, Harvard University; and David S. McCauley, International Resources Group.