

Asian Development Bank

September 9, 2020

ADB was conceived in the early 1960s as a financial institution that would be **Asian in character and foster economic growth and cooperation** in one of the poorest regions in the world. A resolution passed at the **first Ministerial Conference on Asian Economic Cooperation held by the United Nations Economic Commission for Asia and the Far East in 1963** set that vision on the way to becoming reality.

Features of Asian Development Bank

- ADB's headquarters are in **Manila, Philippines**. The primary mission is to foster growth and cooperation among countries in the **Asia-Pacific Region**.
- It **raises capital through the international bond markets**. The ADB also relies on **member contributions, retained earnings from lending, and the repayment of loans** for funding of the organization.
- It provides assistance to its developing member countries, the private sector, and public-private partnerships through **grants, loans, technical assistance, and equity investments** to promote development.
- The ADB regularly **facilitates policy dialogues and provides advisory services**. They also use **co-financing operations** that tap a number of official, commercial, and export credit sources while providing assistance.
- The two largest shareholders of the Asian Development Bank are the United States and Japan. Although the majority of the Bank's members are from the Asia-Pacific region, the **industrialized nations are also well-represented**.
- From 31 members at its establishment, ADB has grown to encompass **68 members, of which 49 are from within Asia and the Pacific and 19 outside**.

India and ADB

- India was a founding member of ADB in 1966 and is now the **bank's fourth-largest shareholder**. ADB's operations in India commenced in 1986. **India has been ADB's top borrower since 2010.**
- ADB's current portfolio in India includes **69 sovereign loans amounting to \$13.4 billion**. In 2019, the bank committed a record \$3.18 billion for 10 sovereign projects aimed to develop infrastructure and services in **transport, energy, urban services, and agriculture and natural resources.**

Major Projects in India

- The bank committed \$490 million for a public-private partnership project to upgrade about 1,600 kilometers of **state highways and major district roads in Madhya Pradesh**, along with assistance for state highway improvements in Chhattisgarh (\$350 million) and Rajasthan (\$190 million).
- To improve urban mobility and decongest crowded suburban rail systems in Mumbai, ADB committed \$926 million to **operationalize two new lines for the Mumbai Metro Rail System.**
- ADB committed \$206 million to **develop water supply and sewerage infrastructure in five cities of Tamil Nadu.**
- The bank committed a \$250 million **loan to Energy Efficiency Services Limited to expand investments in energy smart meters**, distributed solar photovoltaic systems, and electric vehicles.
- ADB committed \$451 million to **extend power availability to emerging manufacturing centers and help develop the Chennai-Kanyakumari Industrial Corridor** in Tamil Nadu, which is part of the ADB-supported East Coast Economic Corridor (ECEC) that extends to Kolkata.
- ADB committed \$91 million to **strengthen the capacity of state and basin institutions for integrated water**

resources management in Karnataka.

- ADB undertook **strategic studies to identify growth pathways, new investment opportunities, and policy advice** in sectors covering key industrial nodes in the ECEC, North Eastern Region Economic Corridor, coastal shipping, and the education system.