

Asian Development Bank

October 2020

Marzia Mongiorgi



Topics for Today

1. ADB – The Institution
2. ADB – Strategy 2030
3. ADB – The Operations
4. ADB in PRC

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FOUNDED IN 1966



- 1966: 31 founding members: 19 regional members, 12 non-regional members
- 2019: 68 members; 49 in the region; 19 non-regional
- 39 borrowing members
- Japan and the United States are the 2 largest members

Asian Development Bank (ADB)

- Headquartered in Manila, Philippines
- Bonds issued first in Germany (1969), followed by in Austria (1970), Japan (1970), and the U.S. (1971)
- Main Role: help developing member countries in Asia and Pacific through: (i) combining finance and knowledge; (ii) promoting good policies; and (iii) catalyzing regional cooperation and friendship.
- 3,555 Staff (including international staff and board staff 1,287)

ADB Regional Members (49 economies)



Contribution by Members

- **Ordinary Capital Resources** (capital share, voting power share)
Japan (15.6%, 12.8%), United States (15.6%, 12.8%),
PRC (6.4%, 5.4%), India (6.3%, 5.4%), Australia (5.8%, 4.9%),
Indonesia (5.4%, 4.6%), Canada (5.2%, 4.5%), ROK (5.0%, 4.3%),
Germany (4.3%, 3.8%), others (30.4%, 41.5%)
- **Asian Development Fund** (cumulative contribution)
Japan (38.1%), United States (13.8%), Australia (7.9%),
Canada (6.0%), Germany (5.7%), United Kingdom (5.0%),
France (4.2%), others (19.3%)
- **International Staff*** (1,287 as of December 2019)
Japan (149), United States (143), India (92), United Kingdom (81),
Australia (78), ROK (76), PRC (65), Canada (56), Philippines (49),
France (45), Germany (44), Pakistan (42), Indonesia (30), others (337)

*: inclusive of board staff which pertains to Director's Advisors



ADB's LOCAL CHARACTER



- Focus on Asia and the Pacific
- Concern for small economies
- Promoting regional and sub-regional cooperation
- Developing domestic bond markets

OFFICES

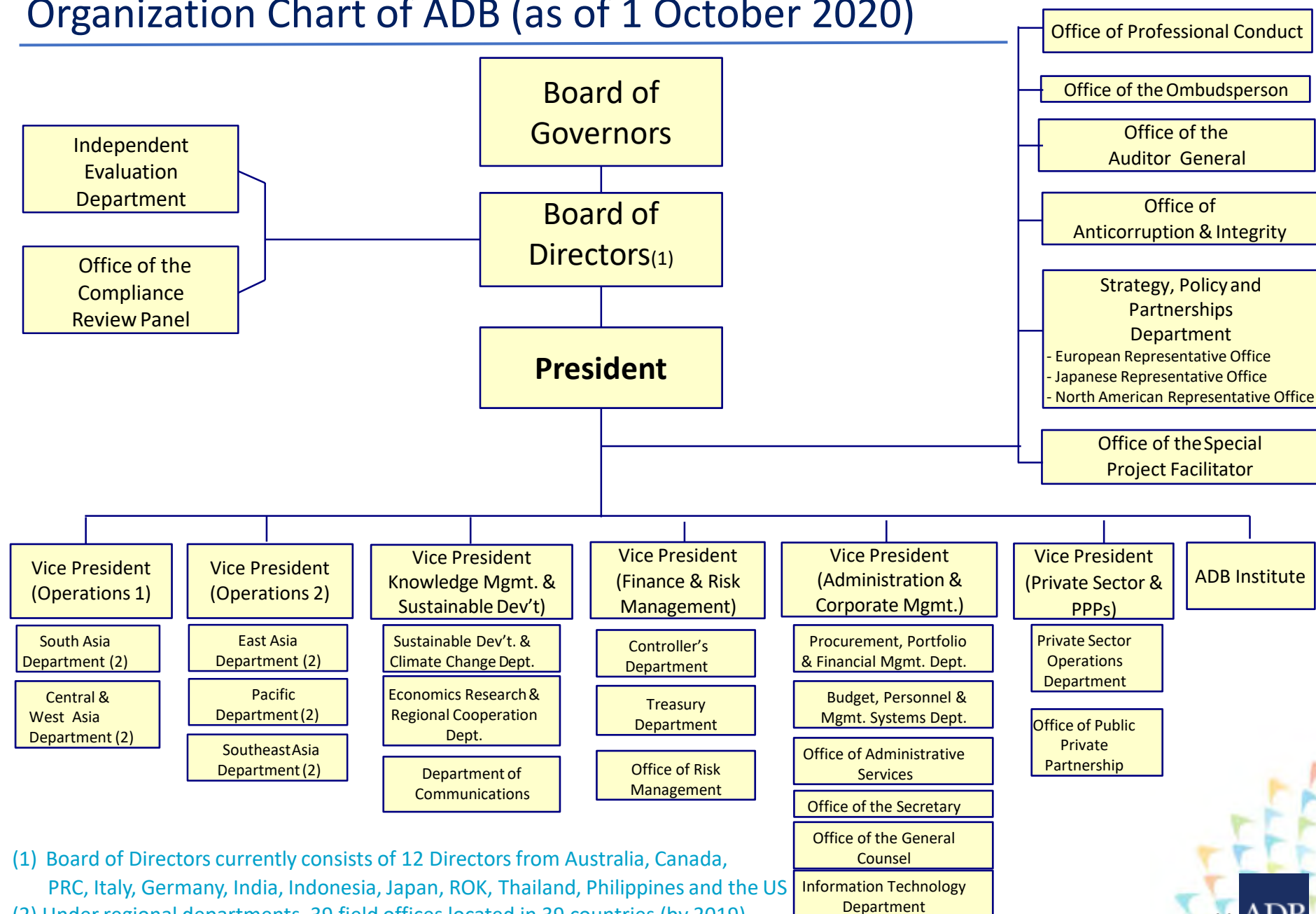


ORGANIZATION



- Board of Governors
- Board of Directors
- President
- Senior Management
- 3,555 employees,
spanning over 60 nationalities

Organization Chart of ADB (as of 1 October 2020)



(1) Board of Directors currently consists of 12 Directors from Australia, Canada, PRC, Italy, Germany, India, Indonesia, Japan, ROK, Thailand, Philippines and the US

(2) Under regional departments, 39 field offices located in 39 countries (by 2019).

ADB's CORE BUSINESS



- Finance
- Knowledge
- Partnerships

ADB Finance

- **Loans** are financed from Ordinary Capital Resources (OCR)
 - Middle-income countries (per capita income \leq \$6,795): regular OCR at quasi market rate
 - Low-income countries (per capita income \leq \$1,145): concessional terms with long maturities and low interest rates
- **Asian Development Fund (ADF) grants** are offered to countries with limited debt repayment capacity, i.e. Afghanistan, Tajikistan, and Pacific island countries
- **Technical assistance** includes capacity building, project preparation, and research/knowledge

Sector and Thematic Groups

Sector Groups	Thematic Groups
<ul style="list-style-type: none">• Education• Energy• Finance• Health• Transport• Urban Development• Water	<ul style="list-style-type: none">• Climate Change and Disaster Risk Management• Environment• Gender Equity• Governance and public management• Public-private partnership• Regional Cooperation and Integration• Rural Development and Food Security (Agriculture)• Social Development

* Digital Technology Unit as an enabler

ADB Continues Support for Asia and the Pacific's Fight against COVID-19

ADB has committed \$11.2 billion in grants, technical assistance, loans, and private sector assistance to help its developing members as they address the devastating impacts of the COVID-19 pandemic.

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THE REGION'S POVERTY CHALLENGE

- Around 40% of the world's extreme poor live in Asia and the Pacific
- 263 million live on less than \$1.90 a day



ADB's STRATEGY 2030 VISION



To achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

Responds to the Region's Changing Needs



Strategy 2030: Seven Operational Priorities



Addressing remaining poverty and reducing inequalities



Accelerating progress in gender equality

At least 75% of number of ADB committed operations by 2030



Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability

At least 75% of number of ADB committed operations by 2030, total of \$80 billion from ADB's own resources from 2019 to 2030



Making cities more livable



Promoting rural development and food security



Strengthening governance and institutional capacity



Fostering regional cooperation and integration

Key Approaches



Expanding private sector operations

1/3 of number of ADB committed operations by 2024



Catalyzing and mobilizing financial resources for development

\$1 in private sector operations financing matched by \$2.50 of cofinancing



Strengthening knowledge services

STRATEGY 2030

<https://youtu.be/-mYK4sLWQWA>



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ADB's 2019 OPERATIONS

TOTAL OPERATIONS

**\$33.74
BILLION**

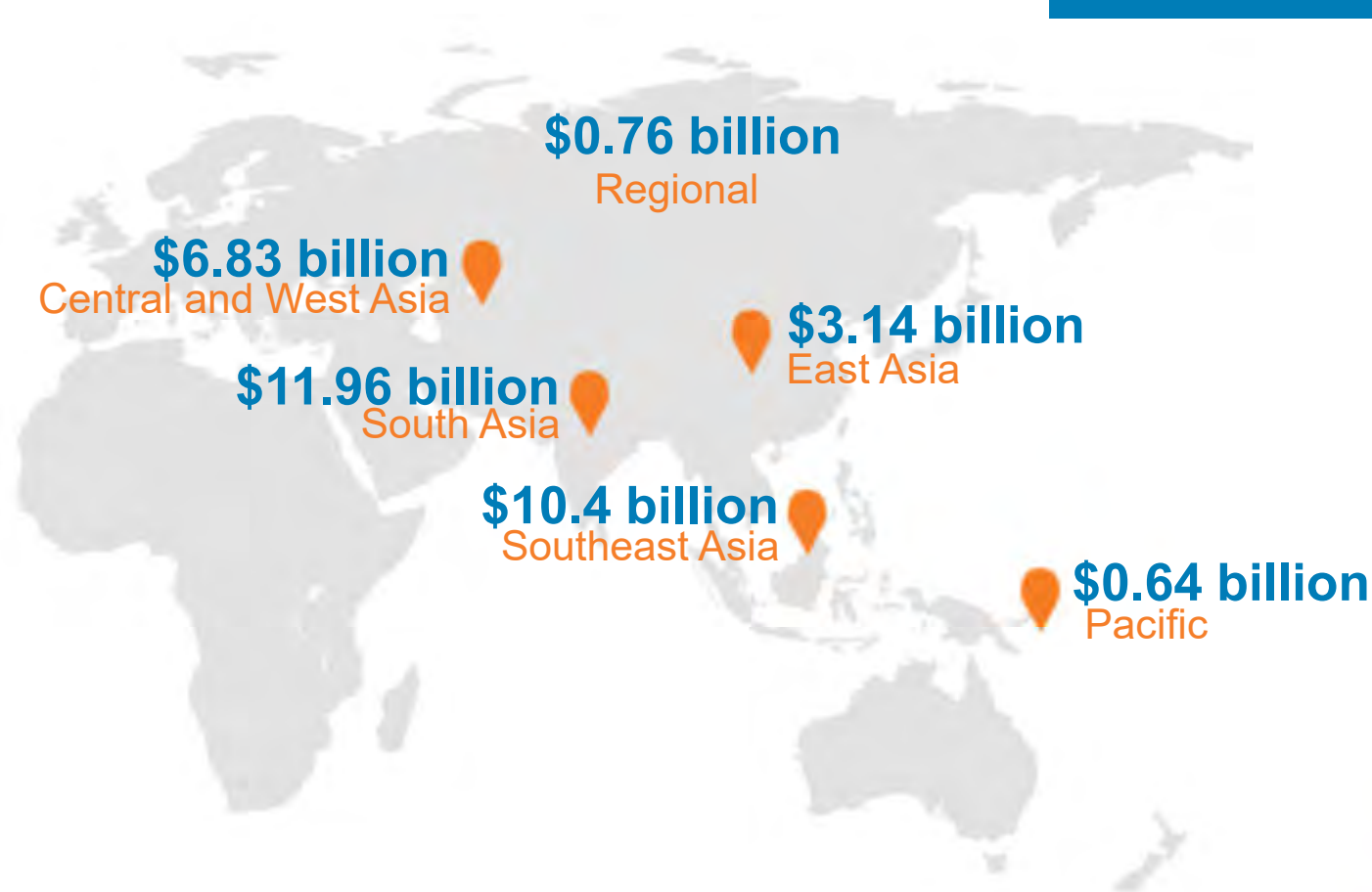


- **\$21.64 billion** in loans and grants and others
- **\$237 million** for technical assistance
- **\$11.86 billion** from cofinancing partners

ASSISTANCE BY REGION

TOTAL OPERATIONS

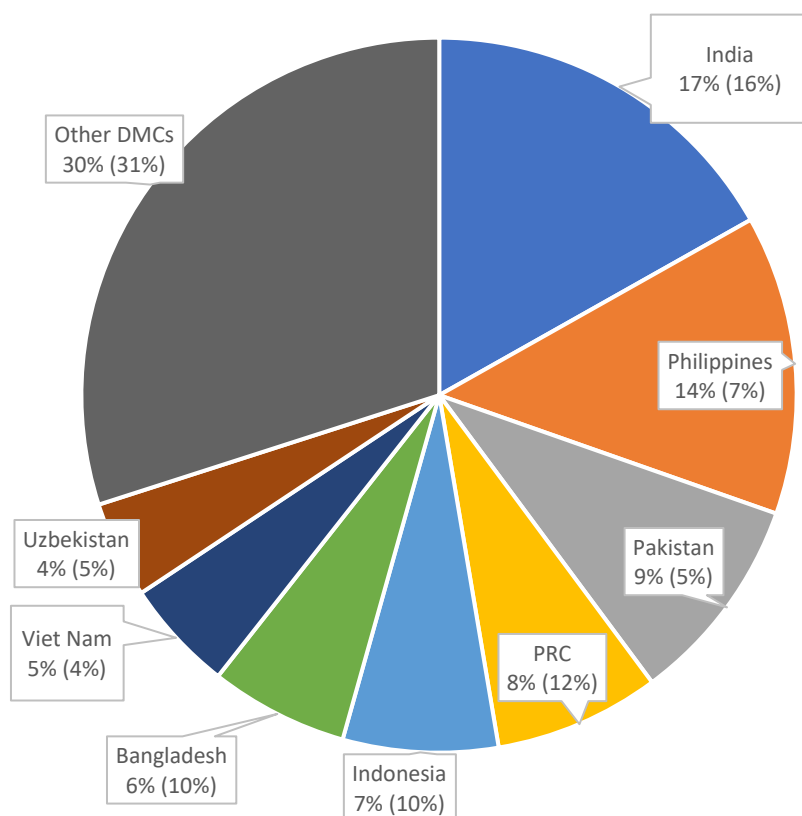
**\$33.74
BILLION**



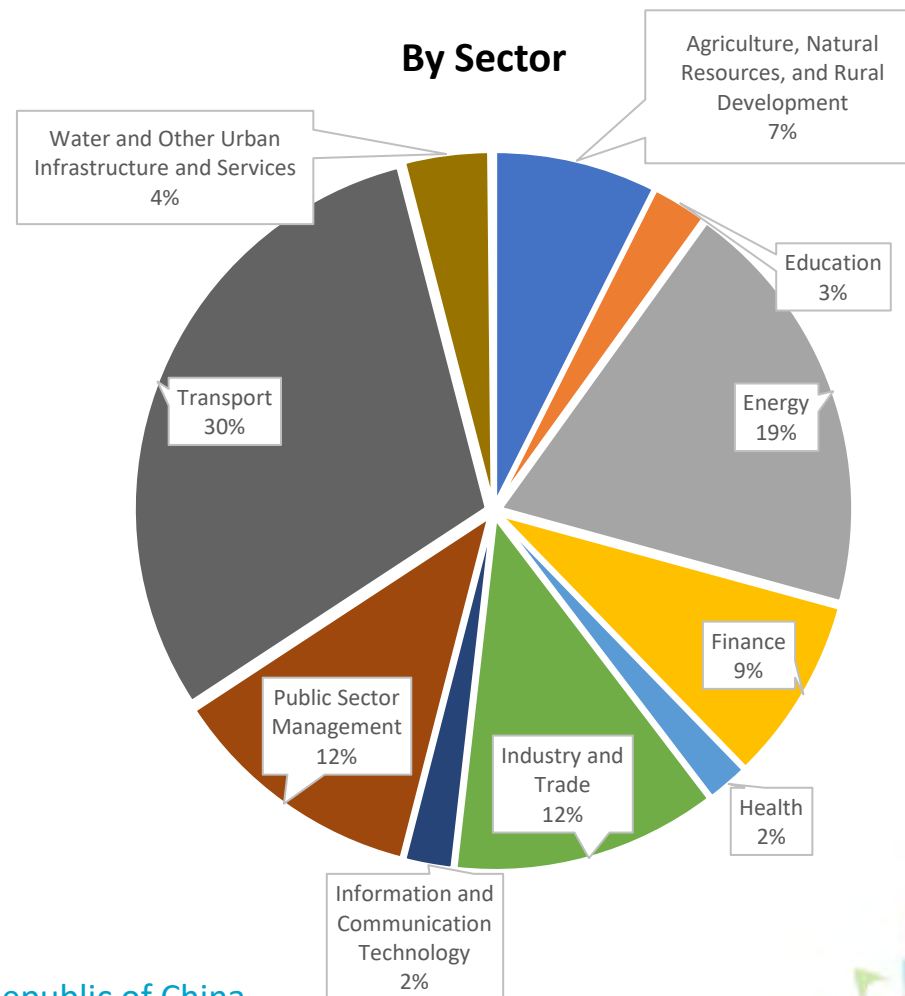
ADB Operations in 2019

Loans and Grants, Technical Assistance, and Co-financing
 (\$ billion; commitments in 2019 remain at \$21.6, the same as 2018)

By Country



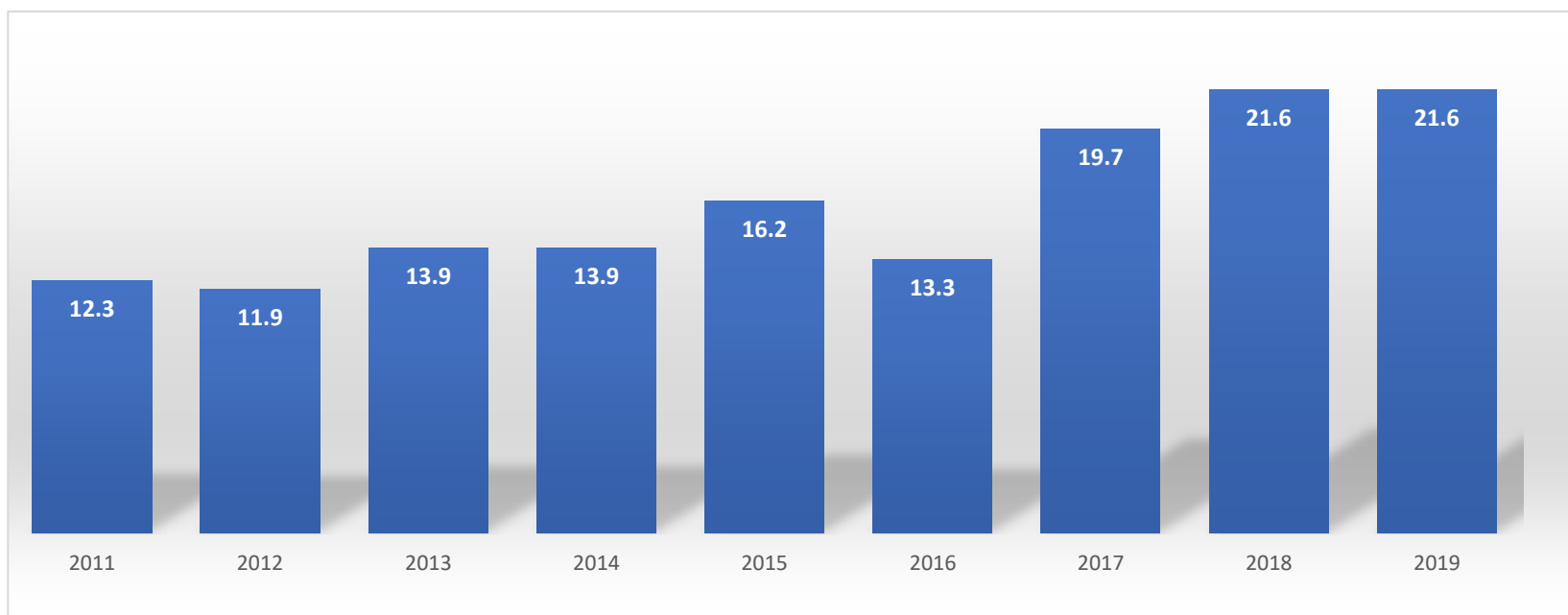
By Sector



PRC = People's Republic of China.
 Numbers in the brackets refer to 2018 figures.

Annual Commitments of Loans and Grants

Ordinary Capital Resources (OCR), Asian Development Fund (ADF), and other Special Funds
(\$ billion)



Commitment is the financing approved by ADB's Board of Directors or Management and legal agreement has been signed by the borrower, recipient, or the investee company and ADB. It is the amount indicated in the investment agreement that may or may not be equal to the approved amount, depending on the exchange rate at the time of signing.

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ADB-PRC PARTNERSHIP



- **1986 – PRC Became ADB Member**
- **2000 – Opening of PRC Resident Mission**
- **Cumulative amount of commitments (loans, grants, and technical assistance) till end 2019 is \$41.49 billion (2nd largest borrower)**
- **2005 – PRC Became ADF donor.**
- **2005 - PRC established PRC Fund for Poverty Reduction and Regional Cooperation**

The CPS and 5 COBPs



2016-2020: Five Strategic Priorities



The CPS Cycle



2011-2015 CPS

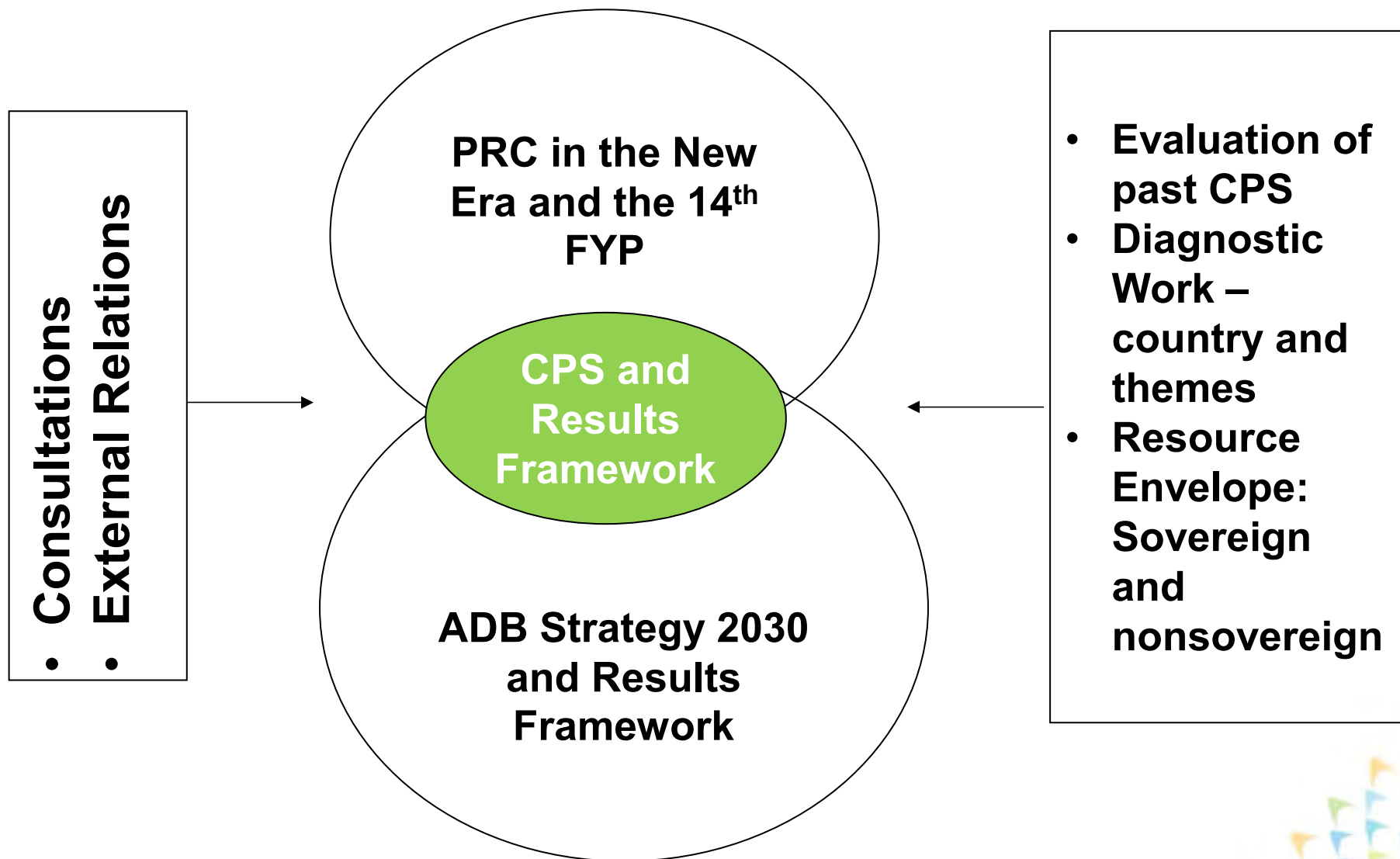


2016-2020 CPS

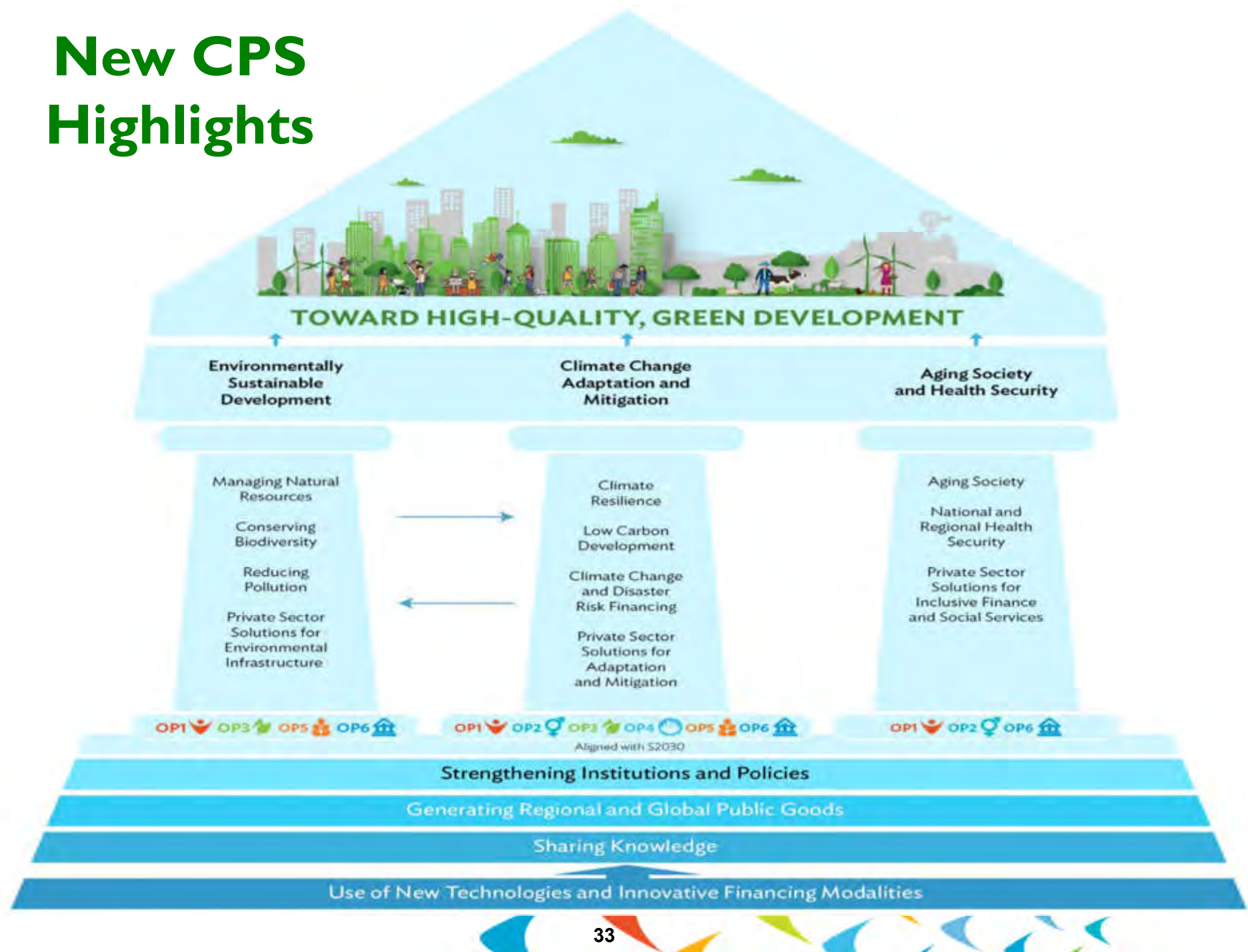


2021-2025 CPS

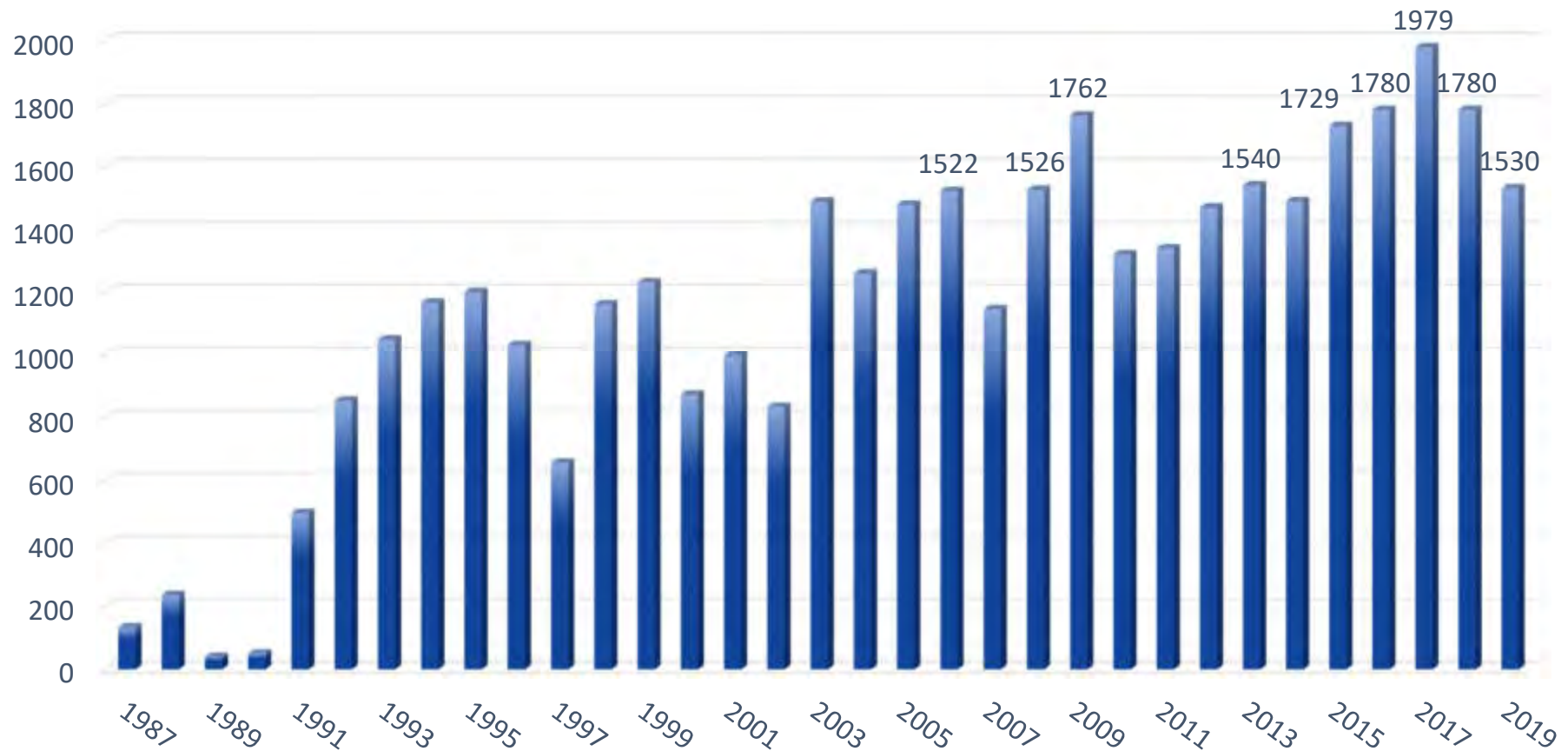
The Framework



New CPS Highlights



LOAN AMOUNT APPROVED ANNUALLY (1986-2019)



Unit: \$ million

An Introduction of the ADB's Project Cycle

Lee Ming Tai, PhD

Head, Portfolio Management Unit



What is Project Cycle?

How does ADB do business with the clients?



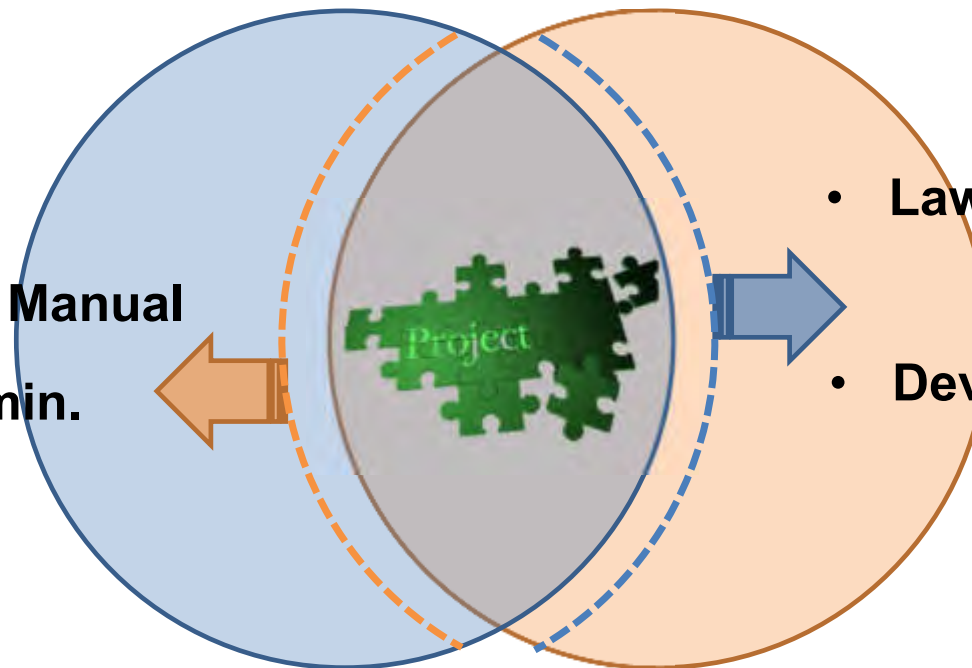


Development Institution

Government



- Charter
- Strategy
- Operations Manual
- Project Admin.
- Policies
- Guidelines



- Constitution
- Laws and Decrees
- Strategy
- Development Plan
- Policies
- Guidelines

A Project's Characteristics

- An ultimate goal or intent
- Can be a product, a service, an event
- Has a common structure, regardless of size
 - a concept
 - a plan
 - requires resources
 - time
 - money
 - materials
 - human resources
 - equipment
 - it ends when the goal or intent is achieved

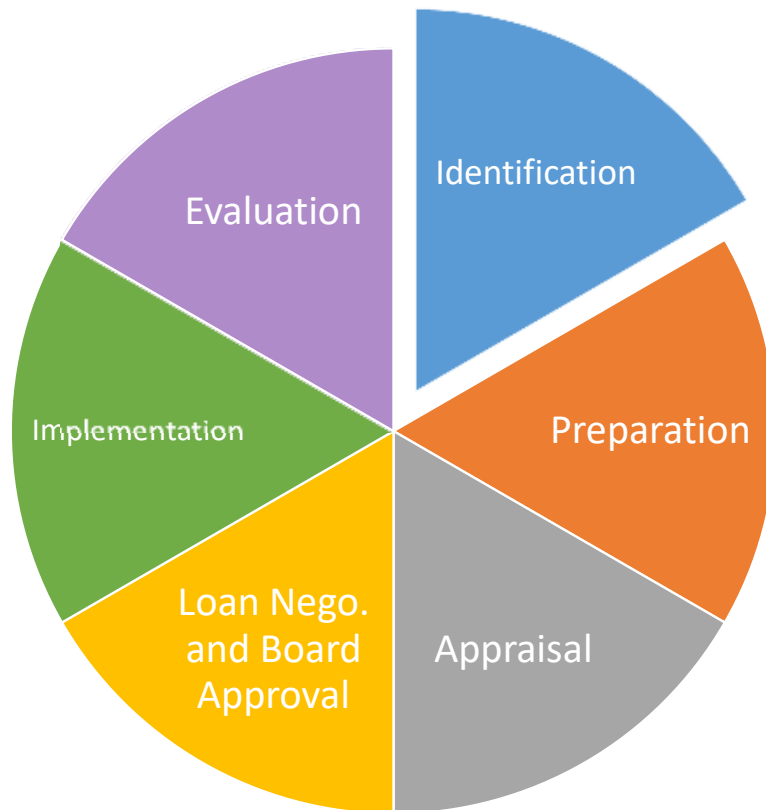
The Project Cycle

Six Major Stages



1. Identification

The Project Cycle



-The Country Partnership and Strategy (CPS) defines the country's development objectives and a pipeline of projects.

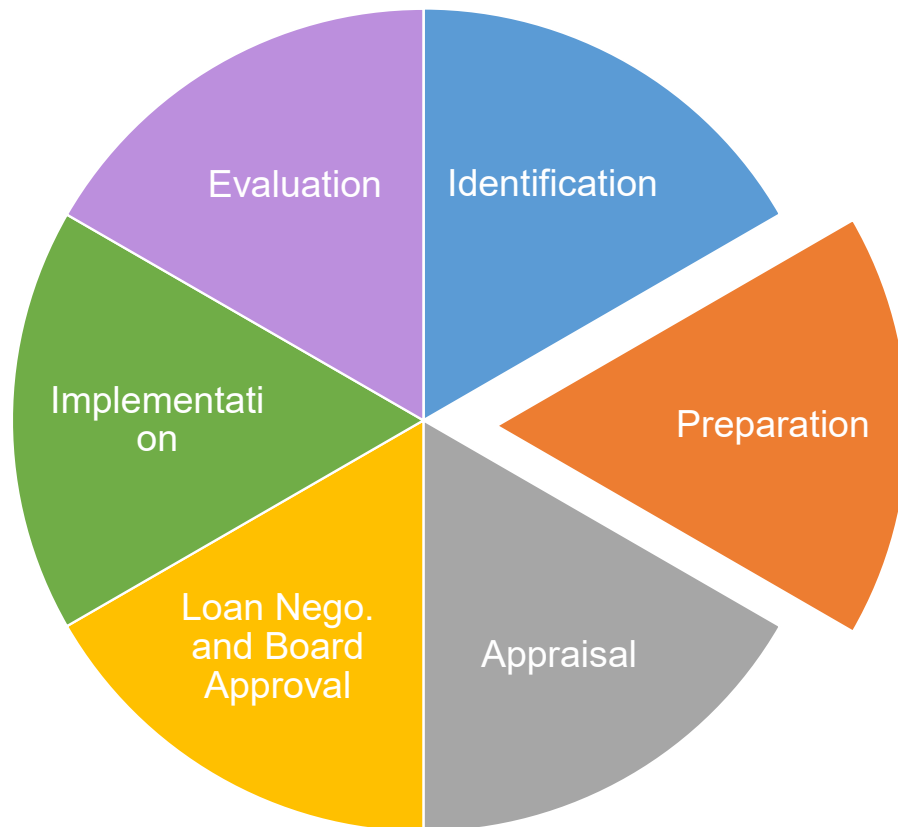
-The Project concept paper states the purpose and rational of the project and seeks approval to proceed with the PPTA (project preparatory technical assistance).

Government 5th year Development Plan vs Country Partnership Strategy



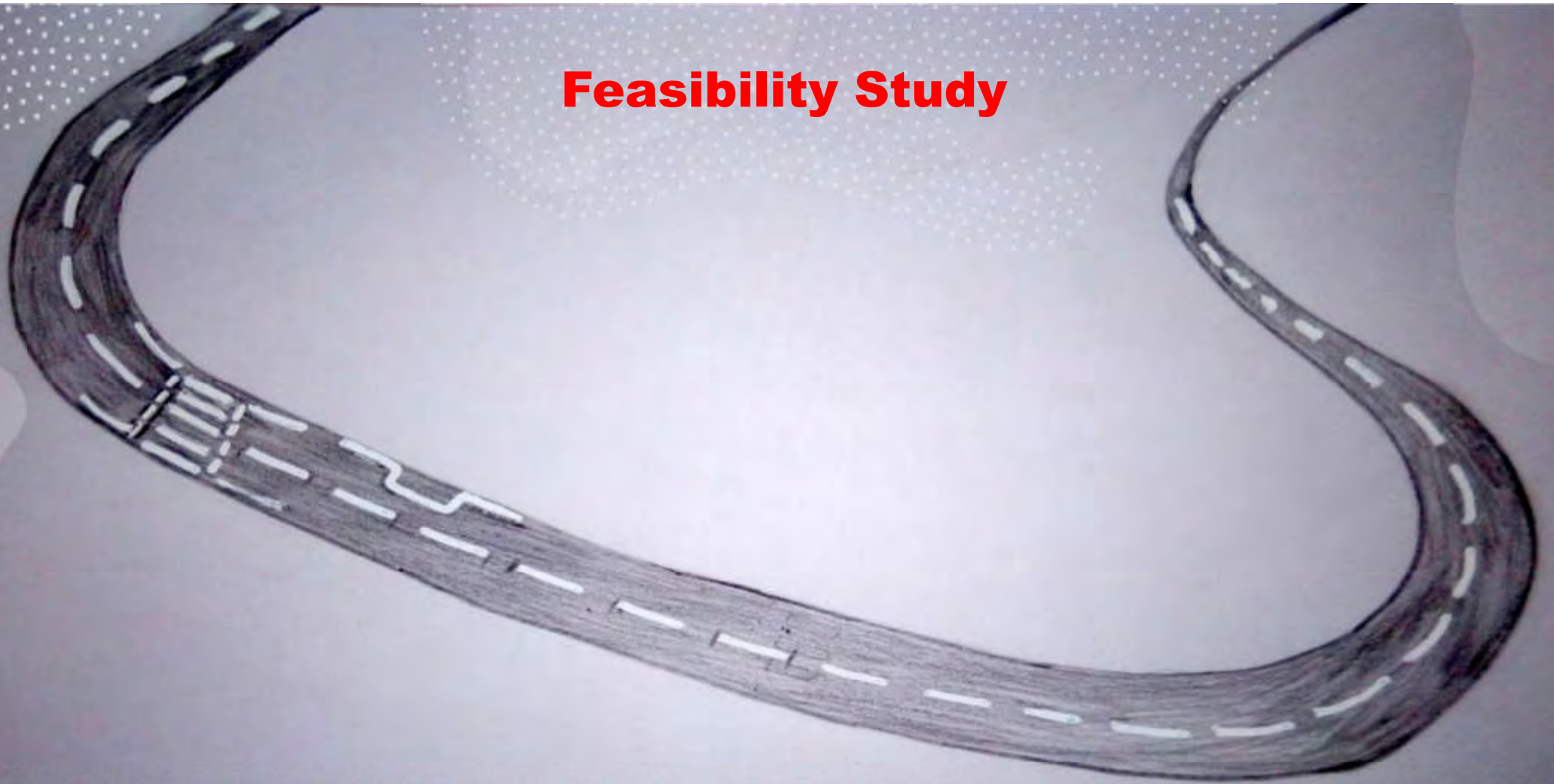
2. Preparation

The Project Cycle



- ❖ Project Concept Paper will be prepared.
- ❖ The project must be designed in detail, experts will be hired. Findings will be discussed thru workshops, and finalization of the project reports.
- ❖ All beneficiaries are encouraged to have inputs into the design and indicators are selected to measure project effectiveness.

Feasibility Study



Preliminary Design



Detailed Design



Project Preparation

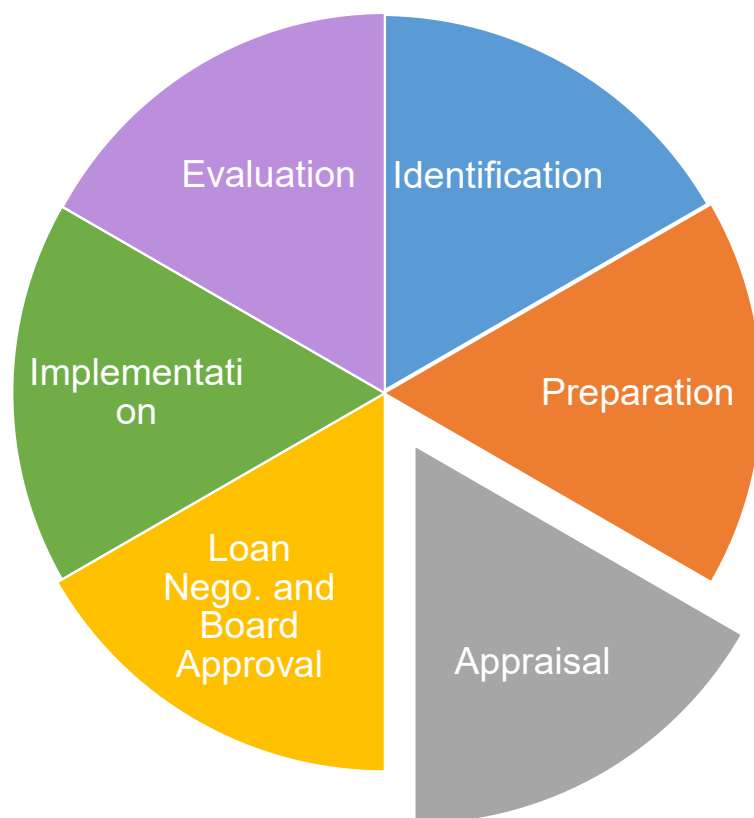
List of due diligence to be conducted:

- Feasibility Study and Preliminary Design (Engineering, Cost Estimates)
- Sector Assessment
- Institutional and Implementation Arrangements
- Project Administration Manual
- Procurement and Consulting Services
- Financial Management
- Economic and Financial Analysis (Financial Sustainability and Management)
- Poverty Reduction and Social Strategy (HIV and Human Trafficking, Child Labor)
- Gender Assessment
- Environmental Impact Assessment
- Resettlement Plan
- Indigenous Peoples Development Plan
- Risk Assessment and Risk Management plan
- Project Climate Risk Assessment and Management



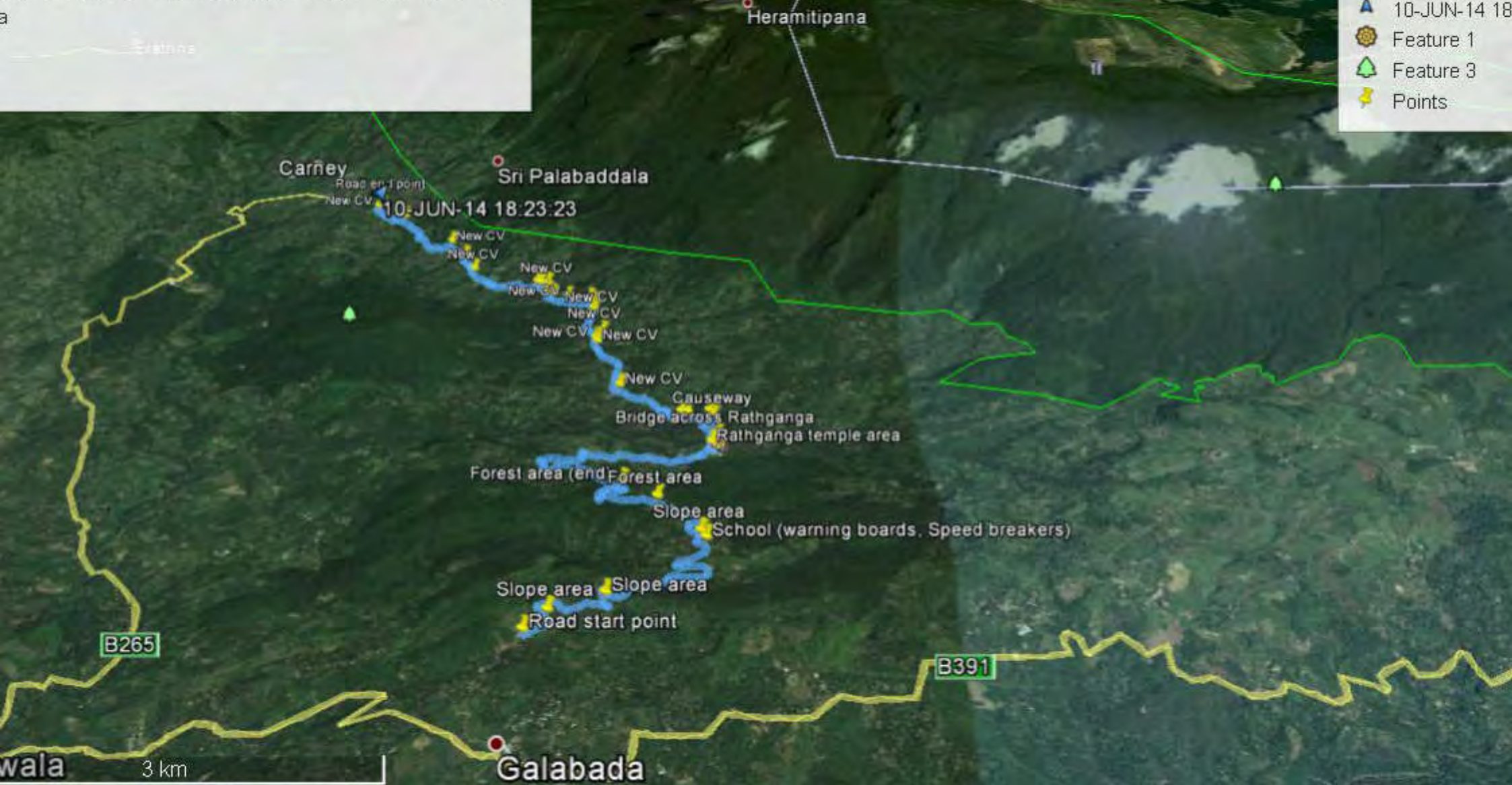
3. Appraisal

The Project Cycle



- ❖ Fact-Finding mission will be fielded, follow by management review meeting.
- ❖ Fact-Finding mission and Management Review Meeting will finalize:
 - i. All due-diligence studies to comply ADB's requirements;
 - ii. The basis for ADB's internal review and set the stage for loan negotiations and board consideration.

nganaga Palabaddala Road (P1-1)









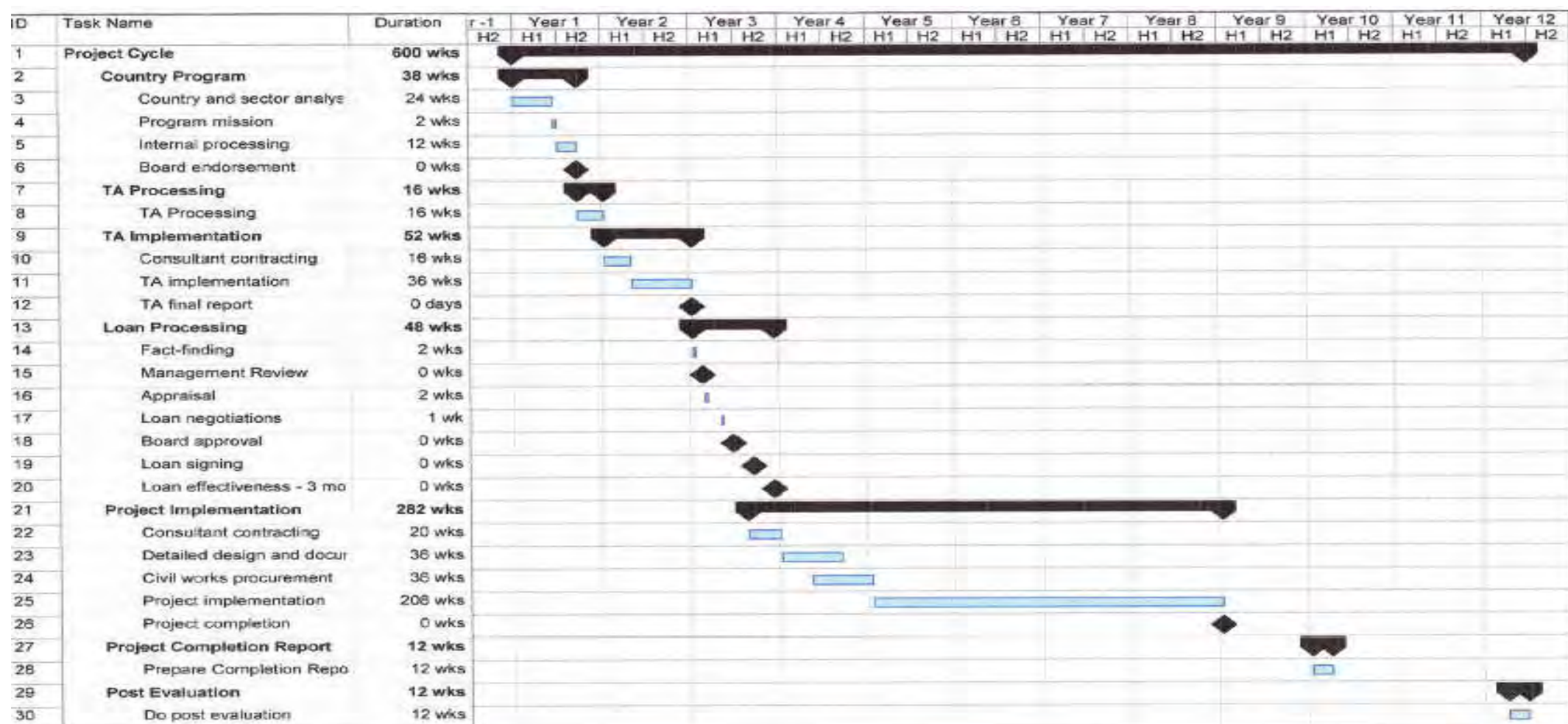


Detailed Project Report

List of assessment reports to be finalized:

- Feasibility Study and Preliminary Design (Engineering, Cost Estimates)
- Sector Assessment
- Institutional and Implementation Arrangements
- Project Administration Manual
- Procurement and Consulting Services
- Financial Management
- Economic and Financial Analysis (Financial Sustainability and Management)
- Poverty Reduction and Social Strategy (HIV and Human Trafficking, Child Labor)
- Gender Assessment
- Environmental Impact Assessment
- Resettlement Plan
- Indigenous Peoples Development Plan
- Risk Assessment and Risk Management plan
- Project Climate Risk Assessment and Management

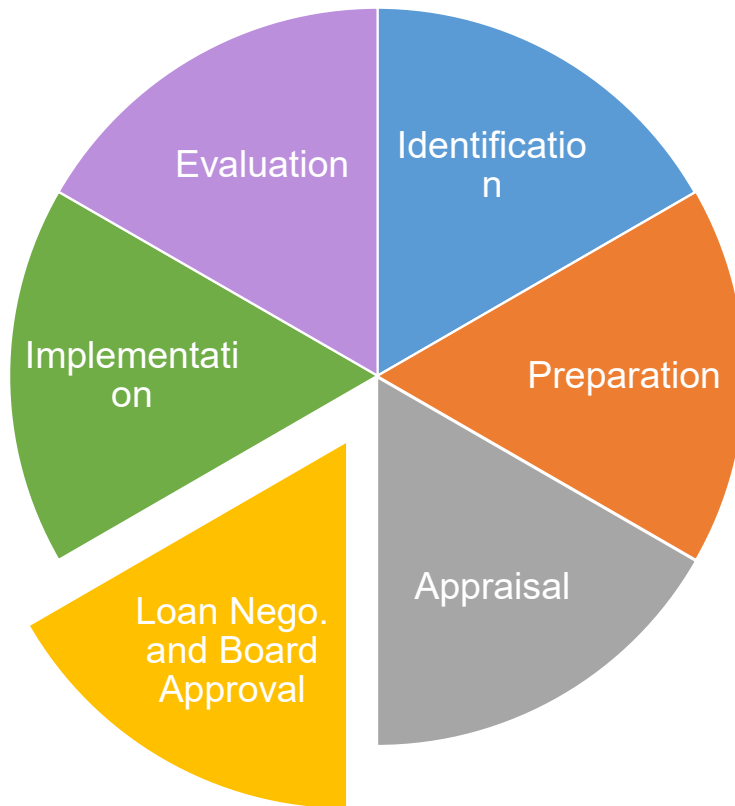




Project: Project Cycle Time Line Date: Sat 02/09/06	Task		Rolled Up Task		External Tasks	
	Progress		Rolled Up Milestone		Project Summary	
	Milestone		Rolled Up Progress		Group By Summary	
	Summary		Split		Deadline	

4. Loan Negotiations and Board Approval

The Project Cycle



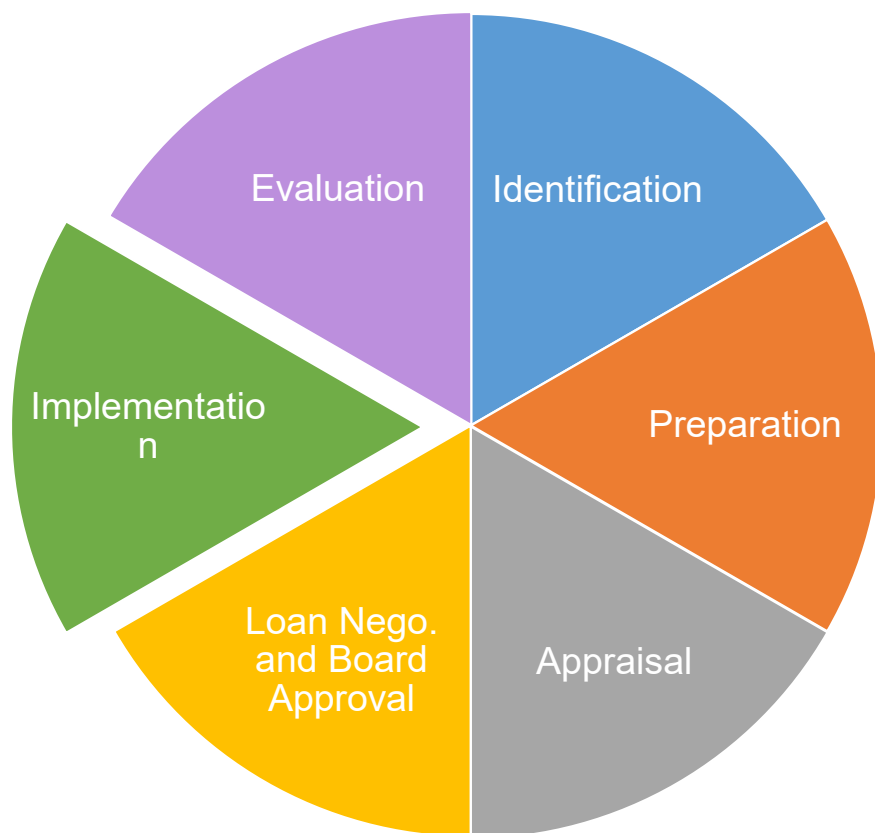
After appraisal, loan negotiations are conducted between development institution and Government. A final project proposal is prepared for Board consideration and approval.

Loan Negotiation



5. Implementation

The Project Cycle



- ❖ The project is implemented in accordance with the Project Administration Manual with detailed implementation arrangements; and Project Administration Instructions

Key Activities of Project Implementation

Development Institution

Develop Project Administration Manual

Review Social Safeguards Doc.

Review Environment Safeguards Doc.

Review Procurement Process

Review Implementation Progress

Project Completion Review

Government (Borrower)

Project Implementation Office

Land Acquisition and Resettlement

Environmental Clearance

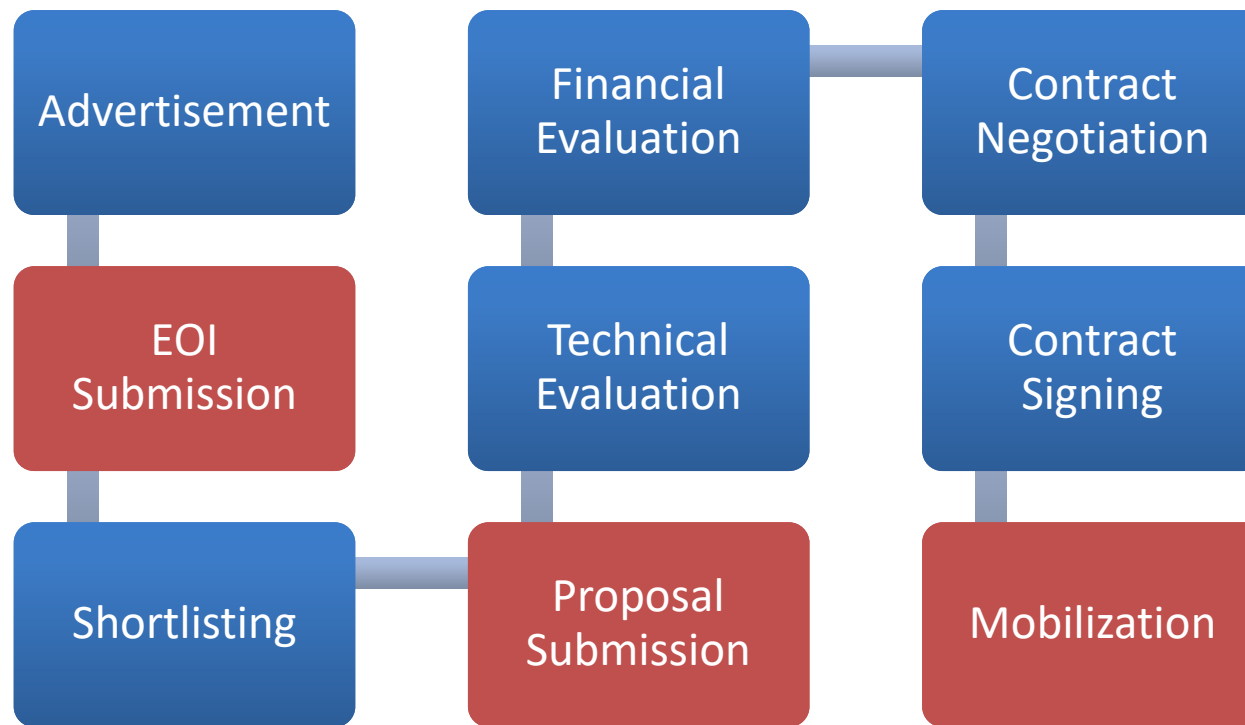
Procurement and Consultant Selection

Project Management

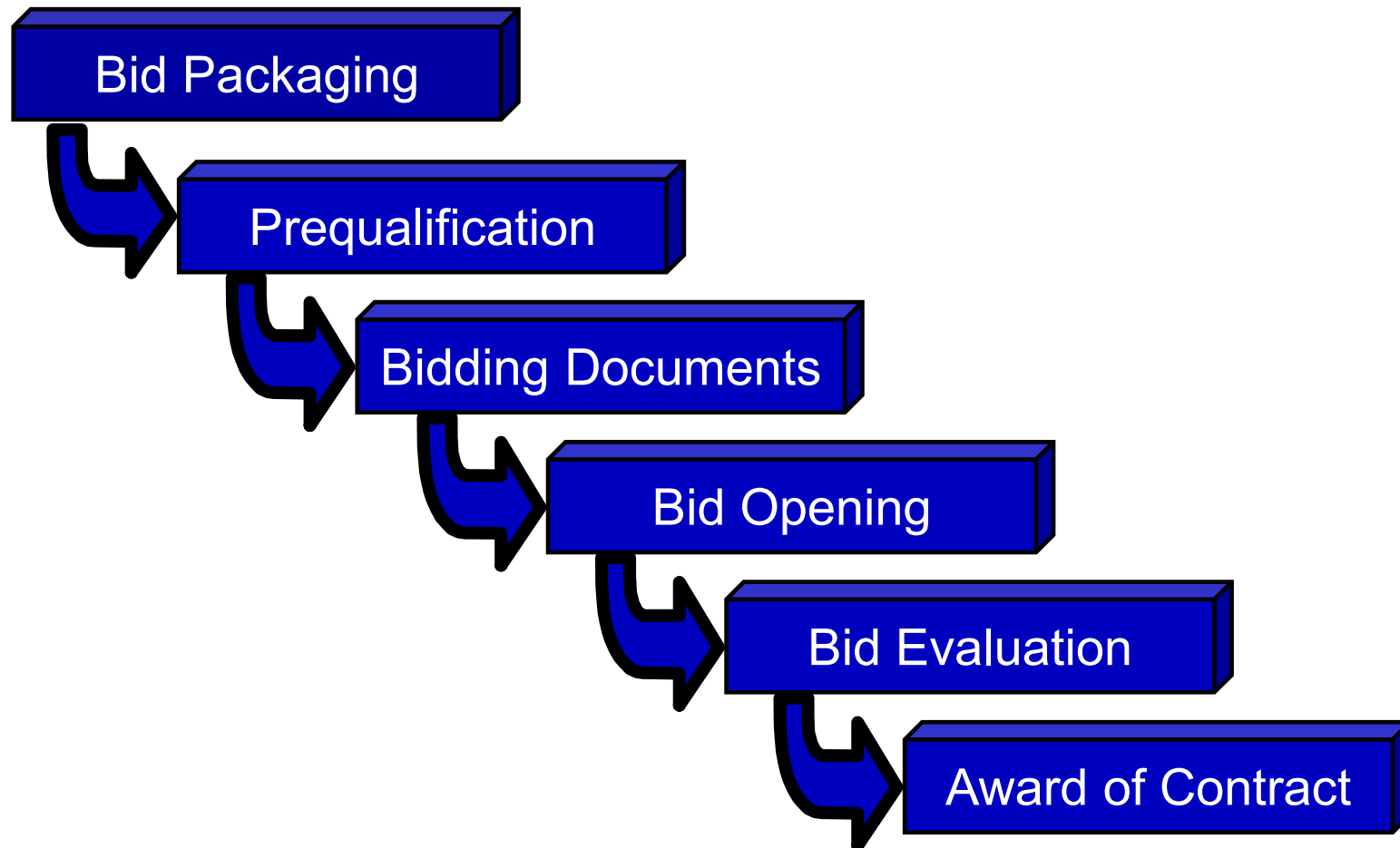
Project Completion Report

Three Most Time-Consuming Preconstruction Activities at Implementation Stage

(i) Consulting Services Selection



(ii) Competitive Bidding: Procurement Flow Chart



(iii) Land Acquisition and Resettlement Activities

- Preparatory Stage
- Relocation Stage
- Rehabilitation Stage

Preparatory Stage

- Conduct social, mapping and census survey
- Consultation
- Identification of APs
- Inventory of assets
- Entitlements
- Valuation of different assets
- Budget and cost estimates
- Implementation plan
- Institutional arrangements
- Submit land proposal to State Land Administration



Implementation Stage

- Land acquisition following Land Act stipulations
- Preparation of resettlement – sites and services
- Payment of compensation
- Delivery of entitlements
- Grievances handling
- Consultation
- Relocation



Rehabilitation Stage

- Needs assessment survey for income restoration packages
- Initiation of income restoration/training programs
- Special attention to needs of vulnerable groups
- Consultation
- Assistance to establish social infrastructure and network
- Integration with the host community

- **Project management**
- **Contract administration**
- **Safeguard implementation**
- **Project performance monitoring system**
- **Safeguard systems**
- **Construction technologies**
- **Road asset management**
- **Road safety**
- **Research and Training systems**



Capacity Building

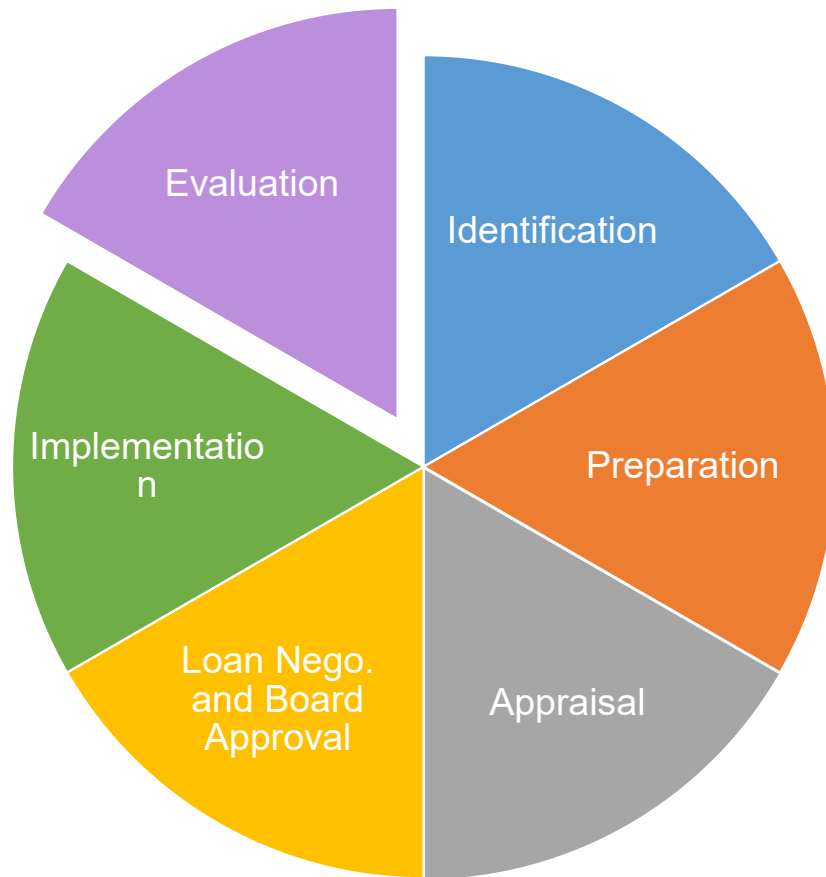






6. Evaluation

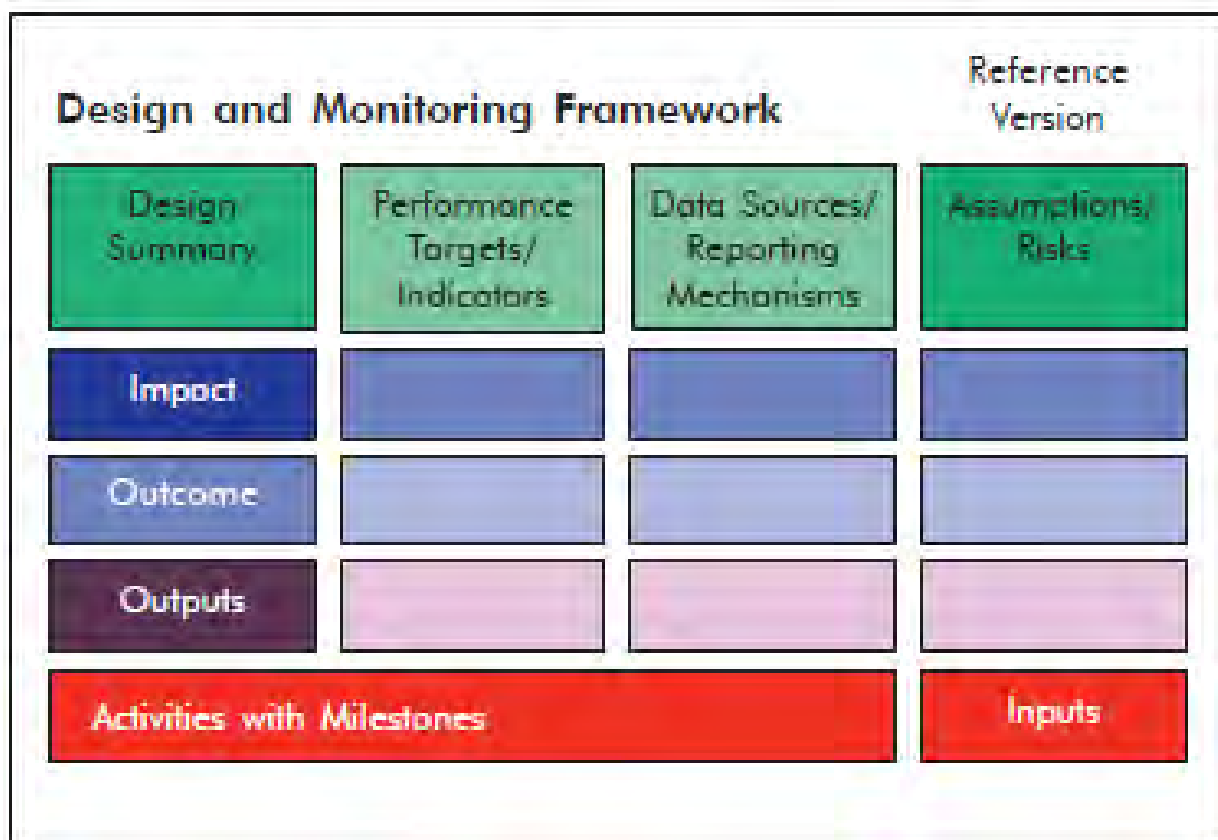
The Project Cycle



All Projects are evaluated, with results feed back into operations for improvements in future project designs.

Monitoring and Evaluation

Monitoring



Evaluation

1. Relevance
2. Effectiveness
3. Efficiency
4. Sustainability
5. Overall conclusion

Impact the Project is Aligned with

Connectivity between rural communities, productive agricultural areas and socioeconomic centers in Nepal improved (Fourteenth Plan: FY2017–2019) ^a

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome Transport efficiency on project roads increased	By 2024: a. Average travel time along project roads reduced by 60% (2017 baseline: 5 minutes/km) b. Average daily vehicle-km increased to 110,000 (2016 baseline: 50,000 vehicle-km)	Post-implementation measurement and traffic survey by DOLIDAR	Extreme weather conditions cause significant damage to the road.
Outputs 1. Rural road conditions between the selected rural communities, productive agricultural areas, and socioeconomic centers improved	By 2023: 1a. At least 388 km of rural roads improved to all-weather standards with safety features and maintained under PBM contracts (2017 baseline: 0) 1b. 3.8 million person-days employment generated (at least 15% for women) by road construction, maintenance, and bioengineering activities (2017 baseline: N.A.)	1a–b. Quarterly monitoring reports and PCR by DOLIDAR	Unstable political environment could delay implementation.
2. Capacity of rural infrastructure agency and road users in project areas enhanced	By 2023: 2a. 100% of DOLIDAR staff, provincial and municipal officials, including all women staff, increased knowledge and skills on safeguards, road safety awareness, performance-based maintenance, contract management, rural road design, and rural road construction (2017 baseline: 0) 2b. Vision, policy, business plan, and institutional structure frameworks for dedicated rural road agency developed (2017 baseline: N.A.) 2c. 4,000 people with at least 40% women, 40% from vulnerable groups, ^b and students and teachers from 27 schools along project roads acquired knowledge on road safety (2017 baseline: N.A.)	2a–e. Post-implementation survey by DOLIDAR	

India: Rural Connectivity Projects

Before



After





PRC: Improving Long-Term Senior Care in an Aging Society



Saving the Coral Triangle



PRC: Jiangxi Sustainable Forest Ecosystem Development Project



PRC: Jiangsu Yancheng Wetlands Protection Project

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	Rating
Relevance	<i>Relevant</i>
Effectiveness	<i>Effective</i>
Efficiency	<i>Efficient</i>
Sustainability	<i>Likely Sustainable</i>
Overall	Successful

Sri Lanka: Southern Transport Development Project



SRI: Southern Transport Development Project



	Rating
Relevance	<i>Relevant</i>
Effectiveness	<i>Effective</i>
Efficiency	<i>Efficient</i>
Sustainability	<i>Likely Sustainable</i>
Overall	Successful

Is that all about the project?

Knowledge

Knowledge of Development Institutes

- **Global and Regional**
- **Country**
- **Sector and Thematic**
- **Project**



A quick summary

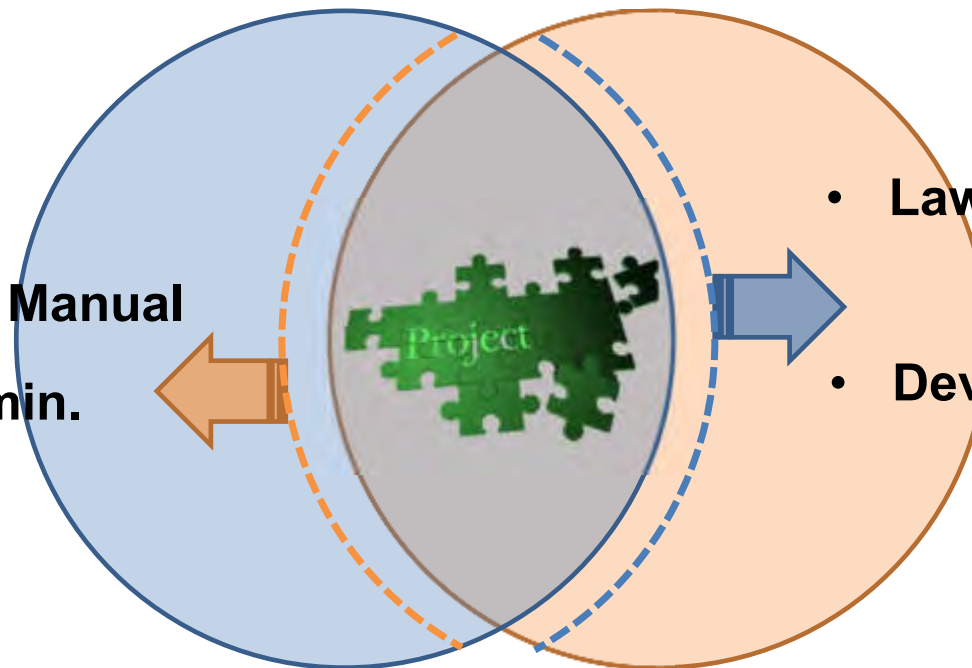


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Thank You!