

# Asian Development Bank

## [UPSC Notes]

Asian Development Bank is a regional development bank, established in December, 1966. It is headquartered in Manila, Philippines. Asian Development Bank aims to promote social and economic development in Asia and the Pacific. India is one of the founding members of the Asian Development Bank (ADB). At present, Asian Development Bank has 68 members, 49 are from within Asia and the Pacific and 19 outside.

Asian Development Bank releases an annual report called Asian Development Outlook that summarizes its operations, budget, and other materials for review by the public. Asian Development Bank is an official United Nations Observer.

In this article, we will be discussing the details of the Asian Development Bank, its members, functions, the Asian Development Bank voting rights, and the latest news regarding the Asian Development Bank that could be important for the IAS Exam.

### What is Asian Development Bank

The Asian Development Bank (ADB) envisions a prosperous, inclusive, resilient, and sustainable Asia and the Pacific while sustaining its efforts to eradicate extreme poverty in the region. ADB assists its members, and partners, by providing loans, technical assistance, grants, and equity investments to promote social and economic development.

Asian Development Bank maximizes the development impact of its assistance by facilitating policy dialogues, providing advisory services, and mobilizing financial resources through co-financing operations that tap official, commercial, and export credit sources.

### Asian Development Bank: Members

From 31 members at its establishment in 1966, at present Asian Development Bank has 68 members. India is one of the founding members of the Asian Development Bank. The 68 members of the Asian Development Bank comprise both, the regional members, as well as the non-regional members.

The Asian Development Bank admits the members of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, formerly the Economic Commission for Asia and the Far East or ECAFE) and non-regional developed countries.

### Asian Development Bank: Largest Shareholders

According to the latest data, the top five shareholders of the Asian Development Bank are Japan and the United States (each with 15.6% of total shares), followed by the People's Republic of China (6.4%), India (6.3%), and Australia (5.8%).

## Asian Development Bank: Roles and Functions

The Asian Development Bank was modeled closely on the World Bank and has a similar weighted voting system where votes are distributed in proportion to members' capital subscriptions. The roles and functions of the Asian Development Bank are:

- Reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration.
- Carry out investments in the form of loans, grants, and information sharing – in infrastructure, health care services, and financial and public administration systems, helping nations prepare for the impact of climate change or better manage their natural resources, as well as other areas.

## Asian Development Bank: Latest News UPSC

- Asian Development Bank has approved a 1.5 billion dollars loan to India to help fund its fight against the coronavirus pandemic.
  - The loan has been provided under ADB's Covid-19 Active Response and Expenditure Support (CARES) Program.
  - The CARES Program is funded through the Covid-19 Pandemic Response Option (CPRO) under ADB's Countercyclical Support Facility.
- Asian Development Bank (ADB) has listed its 10-year masala bonds worth ₹ 850 crore on the global debt listing platform of India INX (BSE-owned exchange).
- Asian Development Bank and the Government of India signed a \$300 million loan as additional financing to scale up the improvement of rural connectivity to help boost the rural economy in the state of Maharashtra.
- The Government of India and the Asian Development Bank (ADB) signed a \$112 million loan to develop water supply infrastructure and strengthen the capacities of urban local bodies (ULBs) for improved service delivery in four towns in the state of Jharkhand.