

Dr. Pinky Rani
Guest Faculty
Department of Economics
Maharaja Bahadur Ram Ranvijay Prasad Singh College
Veer Kunwar Singh University, Ara
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Introduction

The Asian Development Bank (ADB) president recently announced a five-year initiative to transform urban infrastructure across India, with an estimated investment of \$10 billion.

It is a multilateral development bank established on 19th December 1966.

It is the principal international development finance institution for the Asia-Pacific region.

It envisions a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty in the region.

Headquarters: Manila, Philippines.

In terms of financial commitments to members that are developing countries, India ranks first with 14% of the bank's financial commitment, followed by China, Bangladesh, the Philippines, and Pakistan.

Asian Development Bank Functions

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 social and economic development.

ADB maximizes the development impact of its assistance by facilitating policy dialogues, providing advisory services, and mobilizing financial resources

through cofinancing operations that tap official, commercial, and export credit sources.

The Bank focuses on six key areas that align with the UN's Sustainable Development Goals (SDGs): education, health, transport, energy, finance, and climate change.

The ADB also works in partnership with NGOs and private companies to improve capital markets and the business infrastructure of developing countries in the region.

Asian Development Bank Membership

Membership in the ADB is open to members and associate members of the United Nations Economic Commission for Asia and the Far East.

It's also open to other regional countries and non-regional developed countries that are members of the U.N. or of any of its specialized agencies.

From 31 members at its establishment in 1966, ADB has grown to encompass 69 members, including 49 regional members from Asia and the Pacific, such as India, China, Japan, South Korea, Australia, and many others, and 20 non-regional members from Europe, North America, and other regions.

Asian Development Bank Governance

It is operated by a Board of Governors, which is composed of one representative from each member state.

The Board then votes to choose 12 of their members to serve as the Board of Directors, with eight members coming from members from the Asia and Pacific region and the other four from non-regional members.

The Board of Governors is also responsible for electing a president who serves a five-year term as the chairperson of the Board as well as being responsible for the bank's operations.

Because Japan founded the ADB and remains the largest shareholder of the bank, every single president of the ADB has been from Japan.

Asian Development Bank Voting Power

The ADB was modelled closely on the World Bank and has a similar weighted voting system where votes are distributed in proportion to members' capital subscriptions.

ADB's five largest shareholders are Japan and the United States (each with 15.6% of total shares), the People's Republic of China (6.4%), India (6.3%), and Australia (5.8%).

Asian Development Bank Source of Funding

It raises capital regularly through the international bond markets.

The ADB also relies on member contributions, retained earnings from lending, and the repayment of loans for the funding of the organization.