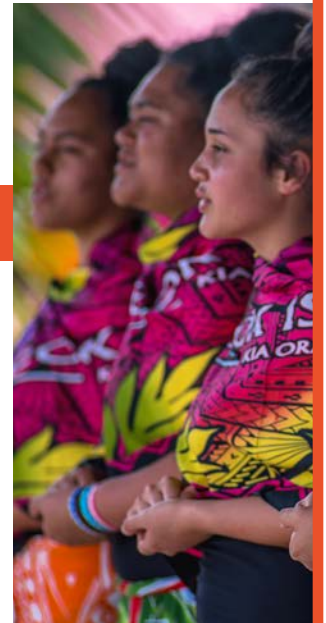




2020

ASIAN DEVELOPMENT BANK

ANNUAL REPORT

ADB



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ASIAN DEVELOPMENT BANK

2020

ANNUAL REPORT

PRESIDENT'S MESSAGE



I am pleased to present this Annual Report as a comprehensive account of the activities and financial results of the Asian Development Bank (ADB) in 2020—an unprecedented

year for the people of Asia and the Pacific, our staff, and the world.

For over 50 years, ADB has worked hard to help our developing member countries tackle many development challenges. The coronavirus disease (COVID-19) outbreak has caused a tragic loss of life and exacted a heavy economic toll that has fallen hardest on the poor and other vulnerable groups. The pandemic now threatens to reverse the region's hard-earned development gains.

This Annual Report illustrates ADB's rapid and effective response to these challenges. From the very early stage of the pandemic, ADB provided support to address the health emergency, followed by a comprehensive [\\$20 billion COVID-19 response package](#) in April. By the end of 2020, quick-disbursing financing under ADB's new COVID-19 Pandemic Response Option had provided rapid fiscal support to 26 countries. ADB's assistance is bolstering health systems, protecting vulnerable groups, supporting small businesses, and laying the path for recovery. We launched a [\\$9 billion Asia Pacific Vaccine Access Facility](#) in December. All these measures are crucial for getting economies through the pandemic and back on their feet.

Given the unparalleled needs, we committed a record \$31.6 billion in loans, grants, equity investments, guarantees, and technical assistance in 2020, both to governments and to the private sector—of which \$16.1 billion was for COVID-19

response. Our nonsovereign investments totaled \$4.5 billion, including \$2.9 billion for COVID-19 response. Furthermore, we bolstered our total support with record project cofinancing of \$16.4 billion, of which \$10.8 billion was pandemic related.

Even during the peak of the pandemic, our operations did not lose focus on the goals of [Strategy 2030](#). For example, we remain on track to achieve our target of promoting gender equality in at least 75% of ADB's operations. In 2020, we provided \$4.3 billion in climate finance and remain unwavering in our commitment to our target of providing \$80 billion in cumulative financing by 2030. Private sector operations made up 21% of the number of ADB's total operations, relative to a target of one third by 2024.

Our knowledge work accelerated in 2020. A new online [mapping tool](#) is helping to unblock medical supply chain bottlenecks, while a new [policy database](#), coupled with ongoing COVID-19 economic analysis, is helping decision-makers develop effective COVID-19 responses. We hosted a number of valuable online events, drawing active participation from policymakers, academics, and development professionals. We also held our ADB Annual Meeting virtually for the first time, thanks to the flexible support from the Chair of the Board of Governors, the Deputy Prime Minister and Minister of Economy and Finance of the Republic of Korea, and his staff members.

Our 2020 operations, requiring a record-high borrowing program of over \$35 billion, including thematic and local currency bonds, were possible with the strong and steady support of our Board. I am equally grateful to our donors, who agreed to a more-than \$4 billion replenishment of the [Asian Development Fund 13](#). This replenishment will help our poorest members over 2021–2024 as they emerge from the pandemic and tackle transformational agendas including promoting gender equity, regional public goods, debt sustainability, and quality infrastructure. I similarly appreciate the cooperation of our bilateral and multilateral development partners including international financial institution peers, United Nations agencies, and leading health organizations.

Internally, our previous investments in digital transformation and crisis planning ensured safe and seamless business continuity after most ADB staff shifted to remote working in mid-March. I salute our hardworking ADB employees and our supportive Management who adapted rapidly to the new work normal and toiled long and hard to ensure swift and tailored one ADB operational responses for our developing members. Meanwhile, a new Culture



ADB's assistance is bolstering health systems, protecting vulnerable groups, supporting small businesses, and laying the path for recovery.



Visiting the front line of the Philippines' *Bayan Bayanihan* emergency food program on 6 April 2020, ADB President Masatsugu Asakawa helps deliver urgently needed supplies to the poor in the Pinagsama neighborhood of Metro Manila.

Transformation Initiative launched in November 2020 will help to reshape the values ADB needs to remain effective, innovative, and collaborative in the longer term.

Looking ahead, as we support the region in its recovery from the pandemic, we will ensure that our developing members rebuild smartly and sustainably. We will work to help governments achieve fiscal and debt sustainability through a planned regional hub on domestic resource mobilization. We will continue to pursue our commitments to climate and disaster resilience and promoting sustainable oceans. We will strengthen investments in human capital including education, social protection, and universal health coverage, while addressing the gender gap; narrow the digital divide; and help prepare for a “new normal” that will see a return to globalization and require even stronger regional cooperation and integration.

ADB pivoted swiftly to answer the needs of our developing members in 2020, and we will remain agile and responsive in the years ahead. Together with our members and development partners, we will achieve a strong recovery from COVID-19 and continue our journey toward a more prosperous, inclusive, resilient, and sustainable Asia and the Pacific.

MASATSUGU ASAKAWA
President and Chairperson
of the Board of Directors

MANAGEMENT TEAM



Left to right: Vice-Presidents Bambang Susantono, Deborah Stokes, Ingrid van Wees, Shixin Chen, Ahmed M. Saeed, Ashok Lavasa; The Secretary Eugenie Zhukov.

BOARD OF DIRECTORS

The Board of Directors is responsible for the direction of the general operations of ADB and ensures shareholder guidance is implemented. The bank's 68 members are represented on the Board through 12 constituencies, each with a director and an alternate director.

The Board held a total of 49 formal meetings, 97 informal sessions, and 43 committee meetings during 2020. It approved 154 loans, grants, financing facilities, equity investments, and guarantees—an increase of 33% from 2019 that reflects ADB's scale-up to support its developing members' coronavirus disease (COVID-19) responses. The Board also endorsed new [country partnership strategies](#) for Indonesia, Maldives, and Papua New Guinea and a new [operational plan for private sector operations](#).

In February, the Board held its second Board Forum, which provided an opportunity to advance the Board's ongoing program of initiatives to improve its effectiveness.

Due to precautions undertaken in Manila in response to the COVID-19 pandemic, the Board—along with most ADB staff—has been working remotely since mid-March. Board operations moved seamlessly to an online format, and members continued to carry out their duties from Manila and elsewhere around the world. New Board members were able to begin their terms remotely throughout the year. The Board also approved an online format for the ADB Annual Meeting for the first time.

MAJOR INITIATIVES

The primary focus of the Board throughout 2020 was guiding ADB's response to the COVID-19 pandemic. In January 2020, the Board approved the review of the bank's Capital Adequacy Framework, which is designed to protect ADB's risk-bearing capacity without relying on callable capital, and to maintain ADB's ability to lend even during crises.

In February, the Board approved significant regional technical assistance to address COVID-19 and to help mitigate health impacts and long-term damage to economies. ADB's [Comprehensive Response to the COVID-19 Pandemic](#) policy package, approved in April, established a new financing instrument: the COVID-19 Pandemic Response Option (CPRO). During 2020, the Board approved 26 uses of this financing option. The COVID-19 regional technical assistance was also expanded

in April to support the purchase of medical supplies. To enable the increase in quicker-disbursing support under the CPRO, in June the Board approved a major increase to the borrowing program for 2020.

At their online retreat in September, the Board and Management discussed ADB's support for COVID-19 responses and for upper middle-income countries.

The [Asia Pacific Vaccine Access Facility](#), approved in December, will provide additional rapid and equitable support to help developing member countries procure and deliver effective and safe COVID-19 vaccines. This Facility was supported with a second major increase to the COVID-19 regional technical assistance in November to help members access vaccines and establish systems to enable equitable and efficient vaccine distribution.

Further, the Board of Directors approved a [new policy framework](#) in November to guide ADB's collaboration with multilateral development banks on sovereign exposure exchanges to manage risks created by the concentration of loans in a small number of borrowing countries. It also approved a pilot agreement to be implemented under the framework.

COMMITTEE HIGHLIGHTS

Directors serve on committees to oversee and guide ADB's operations.

The [Audit Committee](#): A key focus of the Committee in 2020 was the sustainability of ADB's financial position, as the bank delivered significant additional financing for COVID-19 assistance. The Committee provided counsel on the management of private sector operations, business continuity and resilience, and cybersecurity, among other issues.

The [Budget Review Committee](#) discussed the preparation of ADB's 2021 budget, the work program for 2021–2023, 2020 budget utilization, and budget management during the pandemic. The Committee discussed the institution's information technology reforms, including the governance of the digital agenda. In collaboration with the Human Resources Committee, it also focused on the bank's 2020 Comprehensive Review of Compensation and Benefits, including 2021 salary proposals.

Working Group on Gender Diversity

The Board of Directors is committed to improving the gender diversity of the Board. It recognizes that diversity enhances the quality and credibility of the Board's decision-making, particularly in the context of our goal under Strategy 2030 to accelerate progress in gender equality. In September 2020, the Board established the Working Group on Gender Diversity to help build a more diverse Board membership. The group will identify constraints to improving gender diversity on the ADB Board of Directors and possible ways to address these. It will encourage well-qualified women to seek positions, such as by raising awareness about ADB and the work of the Board, and by mentoring. Working through Constituency Offices, it will also encourage ADB member authorities to take gender diversity of the Board as a whole into account in making Board appointments.

The **Compliance Review Committee** assessed actions taken to address complaints from stakeholders, raised through ADB's Accountability Mechanism. The committee also reviewed the Compliance Review Panel's plans to adapt its work to account for the pandemic.

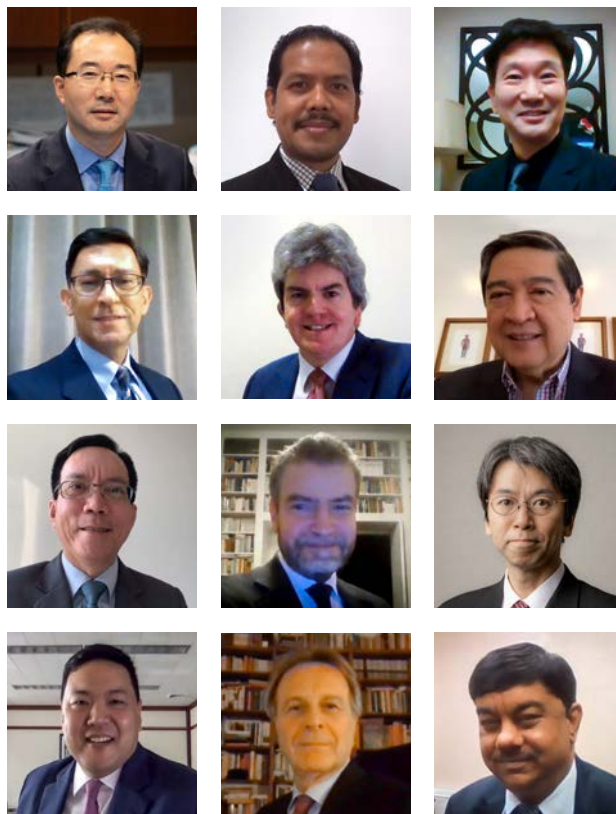
The **Development Effectiveness Committee** assessed major evaluations of ADB's work on transport, safeguards, knowledge, energy, and public-private partnerships. It discussed ADB's performance reports and approved the rolling program of the Independent Evaluation Department for 2021–2023.

The **Human Resources Committee (HRC)** focused on the completion of the process for the 2020 Comprehensive Review of Compensation and Benefits, including 2021 salary proposals, jointly with the Budget Review Committee. The HRC reviewed the following initiatives: talent acquisition, leadership development to support an enabling culture, human resources framework to support Strategy 2030, values-based culture transformation, training support for COVID-19, workforce analysis, and diversity and inclusion. The HRC also discussed the 2019 Ombudsperson Annual Report, and the Office of Professional Conduct.

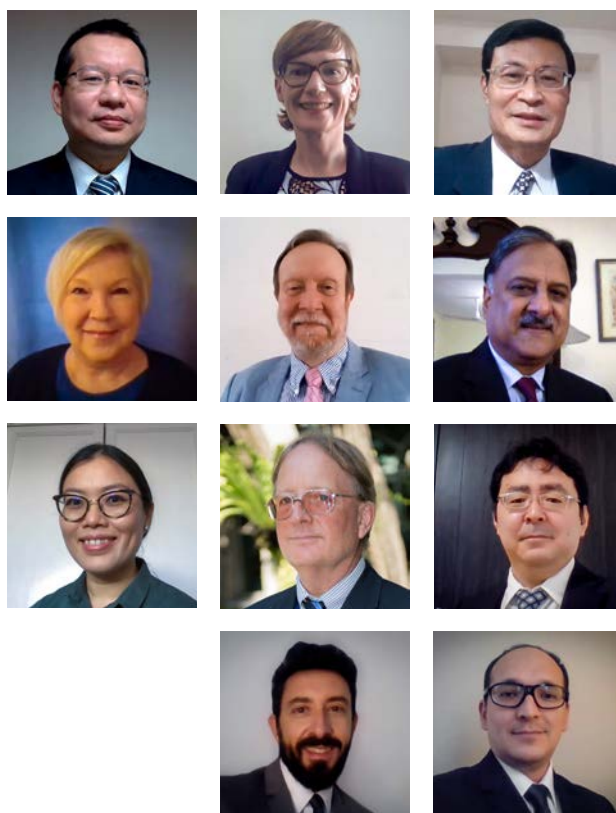
Code of Conduct for Directors, Alternate Directors, and the President

The **Ethics Committee (EC)** completed its review of the Board Code of Conduct, Ethics Committee and Procedures, and Associated Guidelines applicable to ADB Directors, Alternate Directors, and the President. The review recommended amendments to bring these standards and procedures into line with the best practices of ADB's peer institutions and the ADB Staff Code of Conduct. The changes included the requirement to complete a declaration of compliance relating to financial interests, and the duty to report any form of misconduct through appropriate channels. Amendments relating to the EC and the Office of Anticorruption and Integrity (OAI) included establishing a referral mechanism between the EC and OAI, updating guidelines, and defining the specific role and responsibilities of the EC in future misconduct investigations. The Board approved the revised [Code of Conduct, Ethics Committee and Procedures, and Associated Guidelines](#) in January 2020. They became effective on 13 February 2020.

DIRECTORS



ALTERNATE DIRECTORS



ADB Board of Directors as of 31 December 2020 (Left to right, top to bottom): Zhijun Cheng, Syurkani Ishak Kasim, In-chang Song, Kris Panday, Anthony McDonald, Paul Dominguez, Warotai Kosolpisitkul, Roger Fischer, Takahiro Yasui, Jason Chung, Sergio Lugaresi, Sameer Kumar Khare.

Alternate Directors (Left to right, top to bottom): Jin Lu, Karen Murray, Yu-Peng (James) Tseng, Leena Viljanen, Scott Dawson, Shahid Mahmood, Yuemin Li-Misra, Philip Rose, Kenzo Ohe, Enrique Galan, Bayrammuhammet Garayev.

FINANCIAL HIGHLIGHTS

BY THE NUMBERS

TOTAL ADB OPERATIONS

\$31.6 B

COFINANCING, INCLUDING TRUST FUNDS

\$16.4 B

OPERATIONAL HIGHLIGHTS

ADB Commitments,^a 2016–2020 (\$ million)

Item	2016	2017	2018	2019	2020	COVID-19 Response
A. Loans, Grants, and Others	Total	Total	Total	Total	Total	
By Source						
Regular Ordinary Capital Resources	10,957	17,230	16,286	17,155	22,723	11,677
Loans	10,693	16,445	16,012	16,824	22,468	11,677
Equity Investments	96	287	274	155	255	-
Guarantees	168	498	-	175	-	-
Concessional Resources	2,287	2,457	5,290	4,488	5,449	1,861
Concessional Ordinary Capital Resources Loans	1,805	2,267	3,872	3,644	4,432	1,466
Asian Development Fund Grants	481	191	1,418	844	1,017	395
Regular Ordinary Capital and Concessional Resources	13,244	19,687	21,576	21,643	28,172	13,538
Trade Finance, Supply Chain Finance and Microfinance Programs^b	1,496	1,897	2,696	2,137	3,069	2,419
Long term (maturity of 365 days or more)	62	98	61	102	151	125
Short term (maturity of less than 365 days)	1,434	1,800	2,634	2,034	2,918	2,294
Regular Ordinary Capital and Concessional Resources with Trade Finance, Supply Chain Finance and Microfinance Programs	14,740	21,585	24,271	23,779	31,241	15,957
Special Funds^c	9	2	6	-	60	55
Grants	9	2	6	-	60	55
Subtotal (A)	14,749	21,587	24,277	23,779	31,300	16,013
By Operations						
Sovereign	11,502	17,403	18,446	18,643	26,826	13,152
Loans	11,012	16,712	17,022	17,799	25,749	12,701
Guarantees	-	498	-	-	-	-
Grants	491	193	1,423	844	1,077	450
Nonsovereign	1,750	2,287	3,136	3,000	1,406	442
Loans	1,486	2,000	2,862	2,670	1,151	442
Equity Investments	96	287	274	155	255	-
Guarantees	168	-	-	175	-	-
Trade Finance, Supply Chain Finance and Microfinance Programs^b	1,496	1,897	2,696	2,137	3,069	2,419
Long term (maturity of 365 days or more)	62	98	61	102	151	125
Short term (maturity of less than 365 days)	1,434	1,800	2,634	2,034	2,918	2,294
Subtotal (A)	14,749	21,587	24,277	23,779	31,300	16,013
B. Technical Assistance						
Sovereign	170	192	227	221	282	128
Nonsovereign	11	9	14	17	12	6
Subtotal (B)	181	201	241	237	294	134
TOTAL ADB OPERATIONS (A + B)	14,930	21,788	24,518	24,017	31,594	16,147
ADB Operations without Trade Finance, Supply Chain Finance and Microfinance Programs	13,434	19,890	21,823	21,880	28,525	13,727
C. Cofinancing Including Trust Funds						
Sovereign^{d,e}	6,369	5,976	6,753	5,418	11,123	8,187
Trust Funds Administered by ADB	399	86	216	181	288	18
Bilateral	2,577	3,460	2,113	3,709	4,554	3,319
Multilateral	3,310	2,120	3,304	1,380	6,281	4,850
Others ^f	83	310	1,120	149	0	0
Nonsovereign^g	3,702	2,882	3,161	3,218	1,937	158
Trade Finance, Supply Chain Finance and Microfinance Programs	1,952	3,039	3,992	3,693	3,272	2,496
Long term (maturity of 365 days or more)	125	136	134	128	171	157
Short term (maturity of less than 365 days)	1,826	2,903	3,857	3,564	3,101	2,339
Transaction Advisory Service	-	-	405	113	76	-
TOTAL COFINANCING	12,022	11,896	14,310	12,442	16,408	10,841

- = nil, 0 = less than \$500,000. Notes: (i) Beginning 2020, in reporting commitments from its internal resources ADB will include nonsovereign revolving programs (the Trade Finance Program, Supply Chain Finance Program, and Microfinance Program). Inclusion of ADB's exposure (or committed redeployed capital) under nonsovereign revolving programs fully reflects the total financing committed, while at the same time, ADB reports on cofinancing mobilized by these revolving programs. Commitments under nonsovereign revolving programs will distinguish long-term and short-term financing. (ii) Numbers may not sum precisely because of rounding.

^a Commitment is the financing approved by the ADB Board of Directors or Management for which the 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. In the case of official and commercial cofinancing not administered by ADB for which the signed amount is not readily available, the approved amount is used. The 2016–2019 figures for ADB-financed commitments from nonsovereign revolving programs and cofinancing generated from Transaction Advisory Services are included as adjustments to complement the change in coverage of 2020.

^b The Trade Finance Program represents 92% of this figure and supported 7,178 transactions in the reporting period, with an average maturity of 159 days.

^c Special funds other than Asian Development Fund such as the Asia Pacific Disaster Response Fund and the Climate Change Fund.

^d The 2018 adjusted figure includes \$264 million under sovereign cofinancing for two projects reported in 2020.

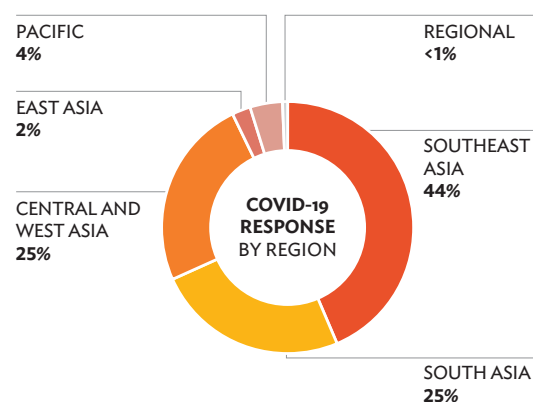
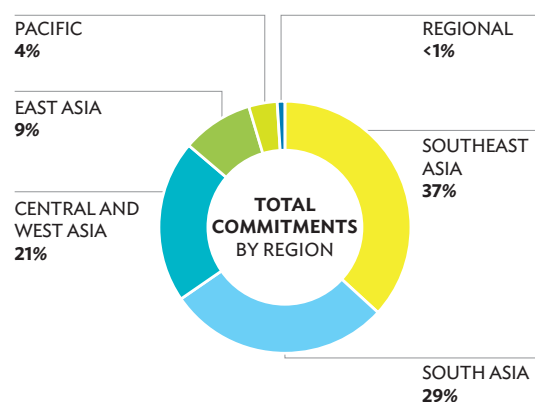
^e The 2019 adjusted figures include \$532 million under sovereign cofinancing commitments for five projects.

^f "Others" includes cofinancing for sovereign operations from other sources such as concessionaires, foundations, government entities, commercial banks, and sovereign wealth funds.

^g Nonsovereign cofinancing includes commercial cofinancing such as B loans and parallel loans, among others. B loans are cofinancing arrangements involving the coordinated process of pooling funds from various sources for a single borrower or grant recipient, and/or distributing related risks among such other financiers. The 2019 adjusted figure excludes \$65 million in nonsovereign cofinancing due to change in signing date from 2019 to 2020.

ADB Commitments by Region, 2016–2020 (\$ million)

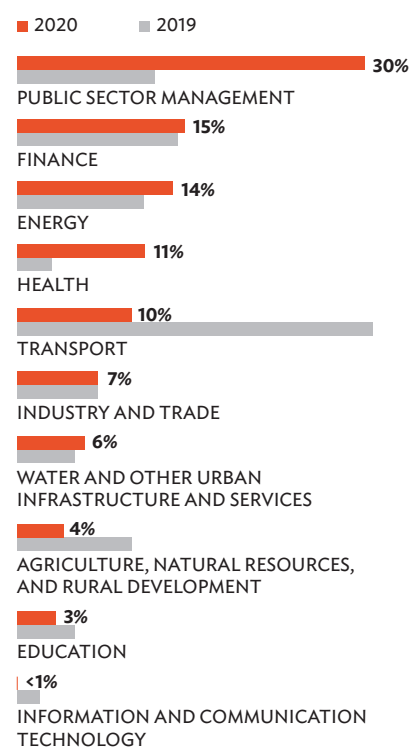
	2016	2017	2018	2019	2020	
Region	Total	Total	Total	Total	Total	COVID-19 Response
Central and West Asia	4,237	6,067	5,700	6,111	6,577	3,964
East Asia	2,022	2,810	3,162	2,663	2,893	385
Pacific	266	740	369	461	1,150	671
South Asia	3,925	7,238	7,623	7,307	9,034	3,983
Southeast Asia	4,326	4,668	7,141	7,181	11,629	7,039
Regional	154	265	523	294	310	105
TOTAL	14,930	21,788	24,518	24,017	31,594	16,147



ADB Commitments by Sector, 2016–2020 (\$ million)

Sector	2016	2017	2018	2019	2020
Agriculture, Natural Resources, and Rural Development	997	1,546	2,375	2,309	1,281
Education	631	723	1,643	1,138	1,066
Energy	3,010	6,230	5,095	2,660	4,292
Finance	2,414	3,787	3,430	3,325	4,608
Health	231	219	524	644	3,512
Industry and Trade	1,279	1,261	1,899	1,592	2,221
Information and Communication Technology	26	73	62	579	32
Multisector	3	4	5	3	12
Public Sector Management	1,792	1,293	2,307	2,985	9,561
Transport	2,870	5,058	4,957	7,536	3,147
Water and Other Urban Infrastructure and Services	1,678	1,594	2,220	1,245	1,862
TOTAL	14,930	21,788	24,518	24,017	31,594

ADB COMMITMENTS BY SECTOR, 2020 AND 2019



DISBURSEMENTS FOR LOANS, GRANTS, DEBT SECURITIES, AND DEBT INVESTMENTS, 2016–2020

(\$ MILLION)

2016 **12,489**

2017 **11,443**

2018 **14,186**

2019 **16,470**

2020 **23,585**

Portfolio, 2016–2020 (\$ million)

Item	2016	2017	2018	2019 ^a	2020
A. Ongoing Projects^b					
By Source					
Regular Ordinary Capital Resources					
Loans	55,164	61,442	67,731	68,289	80,864
Other Debt Securities	151	237	620	929	1,034
Guarantees	1,483	2,114	2,049	2,202	2,703
Equity Investments	1,173	1,538	1,699	1,975	1,799
Concessional Resources					
Loans	13,685	14,336	15,504	17,872	20,115
Grants	4,601	4,249	5,233	5,321	5,234
Other Special Funds					
Grants	20	10	7	4	56
By Operations					
Sovereign ^c	67,027	73,084	80,428	82,808	97,468
Nonsovereign	9,249	10,842	12,414	13,785	14,337
Total	76,276	83,926	92,843	96,592	111,805
B. Disbursements					
By Source					
Regular Ordinary Capital Resources					
Loans	9,763	8,717	11,475	13,148	18,891
Equity Investments	79	242	143	135	86
Other Debt Securities	148	75	446	161	349
Concessional Resources					
Loans	2,027	1,926	1,645	2,513	3,382
Grants	463	481	476	511	824
Other Special Funds					
Grants	9	2	2	3	53
By Operations					
Sovereign ^c	10,746	10,072	12,234	14,210	21,306
Nonsovereign	1,743	1,371	1,953	2,260	2,279
Total	12,489	11,443	14,186	16,470	23,585
C. Net Resources Transfer to Developing Member Countries^d	5,397	3,608	4,622	5,670	12,058

Note: Numbers may not sum precisely because of rounding.

^a 2019 figures differ from those in the 2019 Annual Report due to adjustments after year-end.

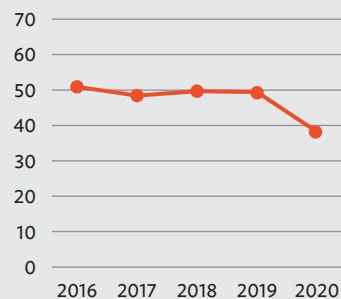
^b Sovereign portfolio consists of loans, grants, equity investments, and guarantees committed and not financially closed. Nonsovereign portfolio consists of (i) committed loan, other debt security and equity (carrying or fair value) portfolio, which includes the outstanding balances plus undisbursed balances; and (ii) the committed guarantee portfolio, which includes the outstanding balances on executed guarantees plus non-executed commitments.

^c Includes Asian Development Fund and Other Special Funds grants.

^d Net Resource Transfer includes loans, other debt securities, equity investments, Asian Development Fund and Other Special Funds grants. Net Resource Transfer to developing member countries refers to the net amount of disbursements in excess of payments of principal, interest, and other charges.

INTERNAL ADMINISTRATIVE EXPENSES PER \$1 MILLION DISBURSEMENT

(\$ '000, three-year average)



INSTITUTIONAL HIGHLIGHTS

Item	2016	2017	2018	2019	2020
A. Staff					
Staff^a (number)	3,085	3,127	3,374	3,548	3,646
International Staff and Board Staff	1,103	1,136	1,242	1,287	1,317
National and Administrative Staff	1,982	1,991	2,132	2,261	2,329
National Staff	762	790	876	943	990
Administrative Staff	1,220	1,201	1,256	1,318	1,339
International Staff and Board Staff Location^b (number)	1,103	1,136	1,242	1,287	1,317
Resident Missions ^b	160	182	194	193	198
Headquarters	943	954	1,048	1,094	1,119
International Staff and Board Staff Gender^a (number)	1,103	1,136	1,242	1,287	1,317
Male	728	736	791	815	820
Female	375	400	451	472	497
B. Internal Administrative Budget (\$ '000)	635,624	646,988	672,264	690,488	726,718

^a "Staff" refers to all international staff, board staff (i.e., Director's Advisors), national staff, and administrative staff. The figures exclude Management, Board of Directors, and Seconded.

^b Includes staff in outposted positions and in ADB's Philippines Country Office.

ADB RESOURCES AND FINANCIAL DATA (\$ million)

Item	2016	2017	2018	2019	2020
Ordinary Capital Resources					
Selected Balance Sheet Data					
Total Assets	125,854	182,381	191,860	221,866	271,741
of which					
Loans Outstanding - Operations	67,599	101,008	106,405	114,389	129,788
Investments for Liquidity Purpose	26,025	36,478	35,215	39,312	41,963
Equity Investments - Operations	814	1,185	1,280	1,619	1,289
Derivative Assets	29,143	40,761	45,500	62,619	87,778
Total Liabilities	108,640	132,112	140,876	169,948	219,104
of which					
Outstanding Borrowings ^a	74,476	87,281	90,423	104,996	128,757
Derivative Liabilities	32,079	42,852	48,996	62,569	84,517
Total Equity ^b	17,214	50,269	50,984	51,918	52,637
of which					
Paid-in Capital	6,399	7,002	7,029	7,175	7,566
Reserves ^c	10,815	43,267 ^d	43,955	44,743	45,071
Income Statement Data					
Total Revenue	1,532	2,625	3,741	4,265	3,072
Total Expenses	(1,163)	(1,869)	(2,883)	(3,173)	(2,158)
of which					
Borrowings and related expenses	(751)	(1,247)	(2,159)	(2,530)	(1,351)
Administrative expenses	(390)	(578)	(591)	(598)	(669)
Net Realized Gains	158	9	22	28	230
Net Unrealized (Losses) Gains	(520)	9	(130)	434	228
Net Income	7	774 ^e	750	1,554	1,372
Allocable Net Income ^f	488	690	841	1,069	1,132 ^g
Allocation to Ordinary Reserve	124	351	499	616	734
Allocation to ADF	259	259	259	259	292
Allocation to Other Special Funds	105	80	83	194	105
Annual Borrowings^h	20,602	28,593	23,538	24,613	35,765
of which					
Thematic Bonds	1,300	1,662	1,822	2,657	1,224
Local Currency Funding ⁱ	617	744	535	764	930
Capital Utilization Ratio (%)^j	NA	56.0	54.6	62.1	69.1
Available Resources of Asian Development Fund Resources^k	32,581	2,067^d	1,956	2,498	2,312
Special Fund Resources (Other than ADF) - Uncommitted Balances					
Technical Assistance Special Fund	41	400	304	196	87
Japan Special Fund ^l	106	107	109	112	112
ADB Institute	10	12	16	19	24
Regional Cooperation and Integration Fund	6	14	10	5	25
Climate Change Fund	8	20	18	10	27
Asia Pacific Disaster Response Fund	8	26	21	21	47
Financial Sector Development Partnership Special Fund	7	5	4	5	3
Total	186	584	482	368	325

ADF = Asian Development Fund.

^a Includes accrued interest and commission, unamortized premium, and/or discounts.

^b As of 31 December 2020, authorized and subscribed capital amounted to \$153,232 million.

^c Reserves includes ordinary reserve, special reserve, loan loss reserve, surplus, net income after appropriation, nonnegotiable, noninterest-bearing demand obligations and receivables on account of subscribed capital, net notional amounts required to maintain value of currency holdings, cumulative revaluation adjustment and accumulated other comprehensive income or loss. Reserves includes the one-time income from ADF asset transfer on 1 January 2017.

^d The transfer of ADF loans and other assets to ordinary capital resources on 1 January 2017 resulted in the increase in ordinary capital resources reserves and decrease in ADF resources in 2017.

^e 2017 Net Income refers to net income after allocation of one-time income from ADF asset transfer to Ordinary Reserve.

^f Allocable net income is defined as net income after appropriation of guarantee fees to special reserve and certain adjustments set aside in the cumulative revaluation adjustments account. This is the amount that ADB may, subject to approval by the Board of Governors, annually allocate to reserves and surplus, and transfers to Special Funds.

^g 2020 net income allocation is subject to the approval of the Board of Governors at the ADB Annual Meeting in 2021.

^h Excludes short-term borrowings.

ⁱ Local Currency Funding includes bond, swaps, repo.

^j The capital utilization ratio (CUR) is the ratio of total economic capital used (numerator) to usable equity (denominator). The new Capital Adequacy Framework was applied in the capital utilization ratios of 2019 and 2020.

^k Includes the total fund balance and nonnegotiable, noninterest-bearing demand obligations on account of contributions.

^l Japan Special Fund resources include Asian Currency Crisis Support Facility uncommitted balance and net accumulated investment income.

SUPPORTING COVID-19 RESPONSE AND RECOVERY

The coronavirus disease (COVID-19) has inflicted an unprecedented toll on the people, society, and economies of Asia and the Pacific, as on the rest of the world. From the loss of life to the lingering social and economic ramifications of measures to contain the virus, the pandemic has affected everyone. In Asia and the Pacific, by December 2020, more than 17 million cases of the disease had been identified, having caused more than 295,000 deaths.

ADB moved swiftly to deliver flexible support to its developing member countries (DMCs). The bank began refocusing existing projects in late January 2020, and in February provided grants and technical assistance to help governments meet emergency health needs, including for supplies and equipment. ADB also set up a rapid and flexible financing instrument called the COVID-19 Pandemic Response Option, or CPRO, to help governments protect the poor and vulnerable groups. Additionally, it provided extra support for the private sector, including for trade and supply chains. As the scale of the crisis became clearer, in April ADB expanded its initial allocation for COVID-19 response and made available up to \$20 billion to help governments and the private sector meet emergency needs, provide short-term economic stimulus, and deliver longer-term assistance for sustainable recovery. Further help to secure vaccines followed.

With the pandemic threatening to reverse recent improvements in lives and livelihoods, ADB also continued to focus on projects and programs under the operational priorities of Strategy 2030.

Combining [pandemic response](#) with financing under its broader longer-term priorities, ADB's total commitments from its own resources for lending, grants, guarantees, equity investments, and technical assistance reached \$31.6 billion in 2020—32% higher than in 2019. The increase was largely due to the bank's pandemic support, which accounted for half of its total commitments. This was accompanied by cofinancing of \$16.4 billion, including \$10.8 billion for COVID-19 response.

IMPACTS OF THE PANDEMIC IN ASIA AND THE PACIFIC

The impacts of COVID-19 have been particularly felt by vulnerable groups: the virus has been particularly severe for the elderly, while children and youth have struggled with school closures. Informal and low-paying jobs have disappeared with women most disadvantaged by those job losses, while travel restrictions have deprived migrant workers of income.

Growth forecasts from the *Asian Development Outlook Update 2020* suggest the pandemic has undone 3–4 years of poverty reduction in the developing economies of Asia and the Pacific. COVID-19 is estimated to have meant an extra 162 million people in the region living under the poverty line of \$3.20 per day, and 78 million people in extreme poverty on under \$1.90 per day. Recovery from the pandemic will require a renewed focus on inclusive economic growth to address both poverty and growing inequality.

The spread of COVID-19 during 2020 drove governments across the Asia and Pacific region to impose strict measures to contain the virus. Although these measures varied in their severity, they were all designed to restrict mobility and human interaction, and a plunge in economic activity was the natural consequence. Tourism was particularly hard hit by extensive travel restrictions. To compound the problem, the economies of the region's major trading partners also contracted sharply, reducing demand for exports.

As a result, ADB estimates that gross domestic product (GDP) shrank across Asia and the Pacific that year—the first contraction in nearly 6 decades. GDP is expected to have shrunk in most of the region's individual economies while those that expanded will post lower growth rates than in previous years. Small tourism-driven economies like the Cook Islands, Fiji, Palau, and Vanuatu, for example, struggled: visitor arrivals in Fiji fell by over 80% in 2020 to their lowest annual total since 1970, while Palau experienced its first fiscal deficit in 10 years. Meanwhile, the economy of the People's Republic of China (PRC)—a regional powerhouse—grew by only 2.3%.

The pandemic crippled many micro, small, and medium-sized enterprises (MSMEs) and businesses operating informally. Such operations form the backbone of the regional economy, employing more than 70% of all workers. Asia and the Pacific therefore expects to lose up to 167 million jobs in the immediate term—seven times the number lost during the 2008–2009 global financial crisis.

The region's 91 million migrant workers were also denied income opportunities for much of 2020.



A \$9 billion facility will provide rapid and equitable support for COVID-19 vaccine access.

With many of these workers becoming unemployed or receiving significantly reduced pay, remittances to Asia and the Pacific dropped by \$54.3 billion over the year compared to 2019.

The pandemic's economic impact on developing Asia is estimated at between \$1.3 trillion and \$2.0 trillion lost, equivalent to 5.7%–8.5% of what regional GDP should have been had the pandemic not occurred.

In response, in 2020 ADB DMCs announced policy packages amounting to \$3.6 trillion, or 15.2% of regional GDP. DMCs in Central and West Asia announced packages totaling 7.2% of their combined GDP; East Asia 16.4%; the Pacific 7.5%; South Asia 12.7%; and Southeast Asia 13.2%.

ADB'S RAPID AND COORDINATED RESPONSE

The bank worked closely with development partners and stakeholders to help its DMCs tackle this unprecedented crisis, ensuring the efficient and coordinated deployment of support to deliver maximum impact.

ADB participated in high-level dialogue with DMC governments, multilateral institutions, and



SUPPORTING ACCESS TO VACCINES

ADB launched the \$9 billion [Asia Pacific Vaccine Access Facility \(APVAX\)](#) in December 2020 to help the bank's developing members procure and deliver effective and safe COVID-19 vaccines in a rapid and equitable manner. Its requirements include a comprehensive needs assessment, a plan for inclusive vaccine allocation, and arrangements for coordination among development partners.

To implement APVAX, ADB is working closely with the COVID-19 Vaccines Global Access Facility; Gavi, the Vaccine Alliance; the World Bank Group; the World Health Organization (WHO); and other bilateral and multilateral partners.

The bank will also collaborate with partners, including the United Nations Children's Fund (UNICEF) and WHO, to implement a further \$20.3 million in technical assistance to help developing members establish systems for efficient and equitable vaccine distribution. The funds will help members assess health systems, develop readiness plans, and strengthen logistics and monitoring.

To support vaccine access further and help keep crucial supply lines flowing, ADB made available a \$500 million import facility for the purchase of vaccines and related products such as syringes. The facility provides AAA-guarantees to mitigate payment risks in developing economies.

bilateral partners to identify specific needs and more systematic responses to the pandemic. The bank continuously exchanged information and coordinated pandemic response approaches to fiscal support operations with the World Bank, the International Monetary Fund, and many other development partners.

ADB representatives collaborated with the United Nations Children's Fund (UNICEF) and other United Nations agencies on emergency response efforts, including the global procurement of COVID-19 supplies. To promote universal health coverage and health security, the bank cooperated with the World Health Organization (WHO) on joint policy analysis and knowledge sharing. ADB also engaged with these and other key global vaccine partners to develop and implement mechanisms for equitable vaccine delivery (see box on previous page).

Such collaboration and coordination enabled ADB to deliver and maximize the impact of financial assistance in direct support of efforts to address the COVID-19 pandemic.

ADB supported developing member countries with rapid countercyclical fiscal support. A key component of ADB's pandemic response package was quick-disbursing countercyclical funding under the CPRO. With some DMCs experiencing reductions in annual tax revenue of up to 25%, the CPRO financing helped governments quickly

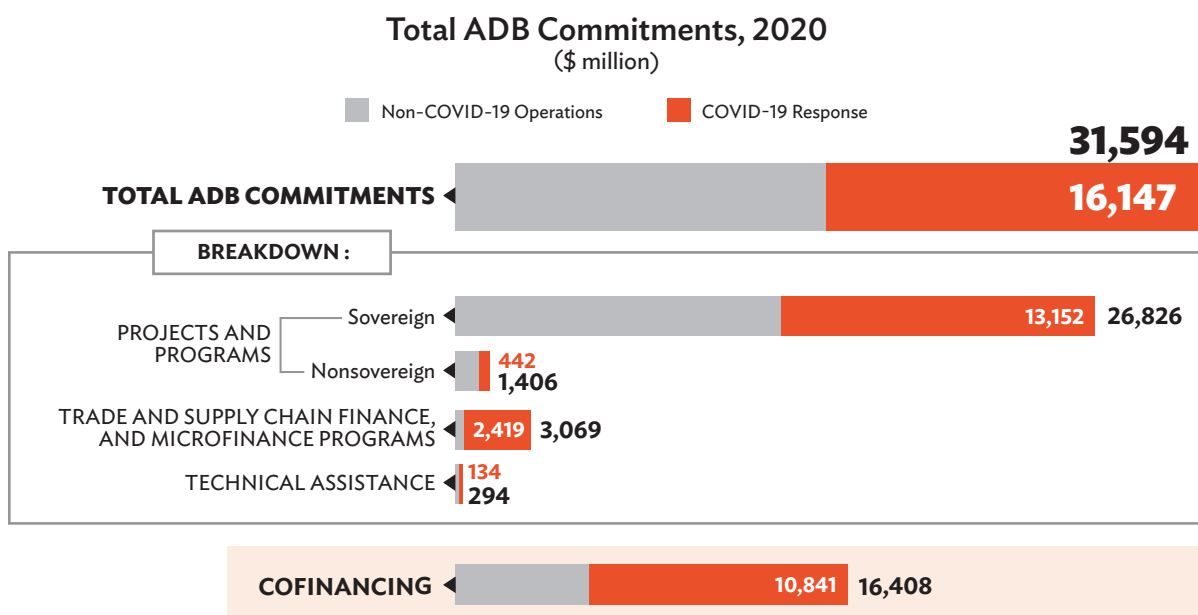
contain the disease, strengthen health systems, assist distressed businesses, support key sectors of the economy, and expand social protection to millions of people affected by the crisis. Under this option, ADB provided \$10.2 billion in financing to the governments of 26 countries in 2020.

ADB provided grants and technical assistance for immediate needs. The bank committed technical assistance grants for emergency response and capacity development to help DMCs purchase equipment and enhance the capabilities of first responders.

A regional technical assistance project totaling \$68.6 million helped provide supplies as well as build short- to medium-term capacity and prepare health systems for pandemics. The scope of the assistance was later expanded to help DMCs prepare for vaccine rollouts.

ADB also committed grants for emergency support from the [Asia Pacific Disaster Response Fund](#) and the [Japan Fund for Poverty Reduction](#). The Government of Japan contributed \$75 million to both funds. Grants from the [Asian Development Fund](#) funded CPRO and other pandemic-related projects.

ADB committed \$2.9 billion to private sector financing related to the pandemic. Through these loans and guarantees, the bank increased its support for trade and supply chains and for microfinance



for vulnerable borrowers, and directly financed companies working to overcome the challenges posed by the pandemic.

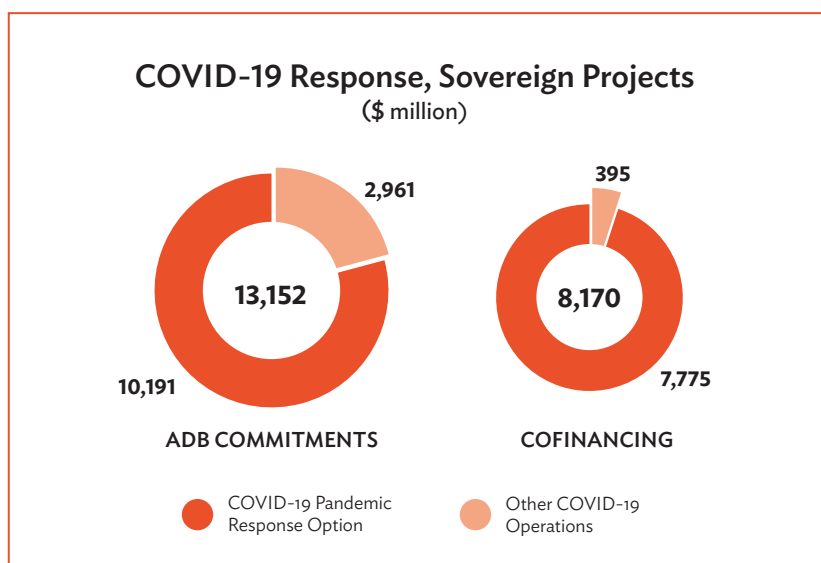
ADB's first private sector assistance to address health security during the pandemic supported the continued supply of essential medicines and personal protective equipment (PPE). In February, ADB provided an initial \$18.5 million in financing to Wuhan-based Jointown Pharmaceutical Group Co. Ltd. in the PRC. The financing helped Jointown distribute urgently needed medical supplies, antiviral drugs, and PPE to hospitals and retail pharmacies.

The bank mobilized over \$10 billion in external resources. To maximize its support to DMCs during the COVID-19 crisis, ADB collaborated with numerous multilateral and bilateral partners to align resources, generate cofinancing, and ensure better coordination. By doing so, the bank mobilized \$8.2 billion for pandemic-related sovereign operations, mostly for the CPRO, and \$2.7 billion in cofinancing for nonsovereign (private sector) operations, mostly for its Trade Finance, Supply Chain Finance, and Microfinance Programs.

ADB raised over \$35 billion from capital markets. Throughout 2020, ADB implemented the largest borrowing program in the bank's history to support the COVID-19 response and its wider operations. In June 2020, the Board of Directors approved an increase in borrowing authorization from \$28 billion to \$40 billion. This allowed ADB to raise \$35.8 billion across various structures, currencies, and markets, including green, gender, health, and water bonds. In March and April, it accessed the United States dollar market with its co-largest global benchmark bond issues—\$4.5 billion each with maturities of 2 and 5 years.

Intensifying Collaboration with Civil Society Organizations

The scale of the COVID-19 pandemic and the impacts of widespread restrictions on movement to contain the virus required a community-based response. Civil society organizations (CSOs), through their networks of community groups and their understanding of the assets and resources available in their communities, are well placed to respond to these needs promptly. The services of many existing community social welfare programs—such as food and meal delivery schemes, care services to vulnerable individuals and households, and information and helpline services—have been in higher demand during the pandemic.



To support such work, for example, ADB committed \$2 million in cofinancing from the Japan Fund for Poverty Reduction for technical assistance to help CSOs respond to needs arising from COVID-19. The project will help CSOs provide services for community-based activities to mitigate and prevent COVID-19; social protection for vulnerable communities, including elderly care; and economic support for those whose livelihoods are affected by the pandemic.

OPERATIONAL PRIORITIES IN THE CONTEXT OF COVID-19

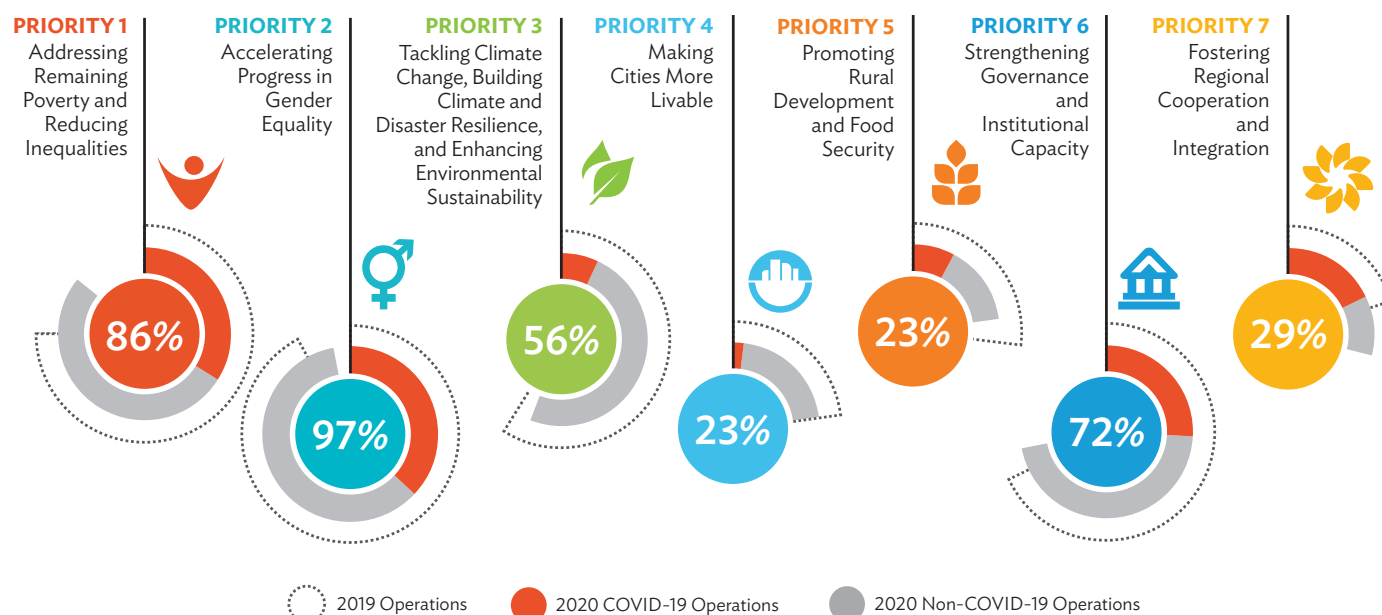
The effects of the COVID-19 pandemic were intensified by the ongoing core development challenges that ADB has been helping DMCs to address through the seven operational priorities of its long-term strategy, *Strategy 2030*. The challenges include deficiencies in health, education, and social protection systems. The pandemic has also highlighted the importance of continuing to tackle underlying development issues to support an inclusive and sustainable recovery.



Addressing Remaining Poverty and Reducing Inequalities

COVID-19 posed serious setbacks to the development progress and poverty reduction efforts in many DMCs. To help ease the pandemic's heavy burden on the poor and vulnerable, ADB ramped up its investments in poverty reduction and social inclusion. To make quality health care more accessible and inclusive, sector interventions

Percentage of ADB's Committed Operations Supporting Each Strategy 2030 Priority



Note: Excludes technical assistance grants and revolving programs. Shares sum to more than 100%. Reflecting the more integrated approach to development challenges outlined in Strategy 2030, most new ADB operations address multiple operational priorities.

PROGRESS AGAINST STRATEGY 2030 TARGETS

GENDER

During 2018–2020

89%

of ADB committed operations promoted gender equality, up from 80% in 2017–2019, and still well on track to achieve the target of 75% in 2030.

were aimed not only at emergency response during the onset of COVID-19 but also toward strengthening health systems, increasing resilience to future pandemics. In addition, ADB committed 35 social protection projects in 2020, more than the combined number of such projects in 2017–2019. Of the 35 projects, 24 used the CPPO to support vulnerable populations in DMCs.

ADB's investments helped governments strengthen social protection systems by scaling up existing programs or introducing new ones. This included greater assistance to women and children, improved social insurance, and expanded labor market programs, including wage subsidies and support to MSMEs.

Education was among the sectors most affected by COVID-19 and where the impacts could be particularly long-lasting. The pandemic has widened inequities, especially learning gaps. The unprecedented closure of education institutions due to COVID-19 has made it even harder to help students achieve basic learning outcomes.

In response, ADB is working to help DMCs adapt, strengthen, and rejuvenate education systems. This includes promoting quality, relevance, and inclusion in education and harnessing education technology to help improve learning.

In Sri Lanka, for example, ADB committed a \$400 million loan for a major new secondary education sector improvement program. This is helping introduce digital learning to address pandemic disruption and to build education system resilience for future emergencies. It will also support longer-term recovery by equipping students with skills for a knowledge-based economy. More broadly, ADB is collaborating with regional and global partners, such as on the Save Our Future campaign, to help keep young people in school.



Accelerating Progress in Gender Equality

Women have been particularly affected by COVID-19: the pandemic has worsened gender inequality, gender-based violence, and the burden

of unpaid work. Women disproportionately rely on employment in the economic sectors that have been hardest hit, such as tourism, manufacturing, and textiles. Maternal and infant mortality has also risen due to distressed health systems, while more girls than boys have dropped out of school.

To tackle these added pressures and help protect progress in gender equality from the effects of the pandemic, ADB financed projects to provide cash transfers and food subsidies for women and girls in vulnerable households; deliver financial and wage subsidies for enterprises led by women; guarantee equipment, salaries, and welfare support for frontline health workers, who are mainly women; and ensure uninterrupted reproductive health services and support for those affected by gender-based violence. The bank also continued its support to reduce women's time poverty and drudgery through time-saving infrastructure and technology, as well as redistributing and reducing unpaid care and domestic work.

To help accelerate long-term progress in gender equality, the bank will continue to use technical assistance and pilot projects to combat gender-based violence, support child and elderly care, promote women's leadership, and employ climate change and disaster risk measures that meet the needs of women and girls.

ADB's operations in 2020 included targeted operations to empower women and girls in areas such as education, health, financial inclusion, and job creation. In Fiji, for example, ADB committed a \$200 million policy-based loan to support the government's efforts in strengthening inclusive growth and the management of public finances. This initiative includes cash transfers to informal workers, support for businesses owned by women, gender-responsive budgeting pilots in government programs, and a COVID-19 gender working group involving government and civil society.

Gender mainstreamed projects directly narrowed gender gaps or benefited women and girls. Under the CPRO, for example, public sector management projects increased women's access to social protection and funding for small and medium-sized enterprises (SMEs). Road construction projects provided women with access to income-generating opportunities alongside capacity building to help them improve their skills. Many other projects included gender elements, for instance, to increase employment opportunities for women during infrastructure construction, operation, and maintenance.



Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

The pandemic has highlighted the costs of delayed action and inadequate investment in building resilience to known threats. It has shown the need to strengthen sustainability and preparedness by building back better and expediting green investments that can address climate change, support ecosystems as well as livelihoods, create jobs, and spur economic recovery.

Where possible, ADB integrated climate change mitigation and adaptation into its emergency pandemic response. In Pakistan, for example, an emergency assistance grant included approximately \$10 million in mitigation finance to support energy-efficient buildings and off-grid renewable energy systems and \$1 million in adaptation finance for water supply and sanitation facilities.

ADB provided about \$274 million of climate finance through projects supporting the response to COVID-19. Climate financing made up approximately a quarter of the bank's commitments outside of the CPRO.

In spite of ADB's reorientation of resources to meet members' immediate needs, the share of climate change mitigation and/or adaptation operations remained roughly constant with a 3-year average of 58% in 2020 from 59% in 2019, while climate financing commitments dropped by a third. The bank remains fully committed to achieving its long-term climate targets and promoting a green and resilient recovery.

One of the effects of the pandemic has been an increase in waste from e-commerce and medical single-use plastics. In the PRC, where a growing urban population is boosting consumption, ADB committed technical assistance to help create policies and pilot programs to develop a green circular economy and zero-waste cities. The plans aim to link production, packaging, logistics, waste management, and resource recovery in a circular system to eventually eliminate waste.

To further mainstream environmental sustainability into ADB's portfolio, the bank's 2020 projects supported pollution control, resource efficiency, ocean health, biodiversity, and natural capital conservation and management.

Under its healthy oceans action plan, ADB provided DMCs with training on designing and financing bankable blue economy projects and applying nature-based solutions for coastal resilience.

PROGRESS AGAINST STRATEGY 2030 TARGETS

CLIMATE CHANGE

In 2020, ADB provided \$4.3 billion for climate change mitigation and adaptation, reaching

\$10.8B

cumulative financing for 2019–2020. The bank remains committed to providing a total of \$35 billion by 2024 and \$80 billion by 2030.



PIONEERING RESOURCES ON POLICY RESPONSES AND GREEN RECOVERY

A passenger at a bus rapid transit station in Pakistan. ADB is helping Pakistan provide safe, modern, and accessible transport services for a cleaner and healthier environment in Peshawar.

The scale of the pandemic's effects and of the response to them mean that decisions governments make now will influence systems and define development directions well into the future. As the pandemic unfolded, ADB developed a [COVID-19 policy database](#) to monitor key economic measures across ADB's 68 members. The database aims to support impact assessments to help policymakers understand and develop effective responses to the pandemic.

A strong call quickly emerged to “build back better” in ways that are “green,” taking advantage of the global stimulus to invest in a more sustainable and resilient future. ADB expanded its policy database to include green recovery measures, from waste management and air quality to biodiversity and cross-cutting reforms and finance. It aims to share notable examples of transformative actions adopted by governments and organizations.

Other ADB resources on green recovery approaches include the publications *Accelerating Climate and Disaster Resilience and Low-Carbon Development through the COVID-19 Recovery* and *Green Finance Strategies for Post-COVID-19 Economic Recovery in Southeast Asia*.

The resources are designed to help decision-makers assess, select, and prioritize initiatives that can drive a sustainable economic recovery, reduce inequality, build resilience, and help deliver the Sustainable Development Goals.



Making Cities More Livable

Cities in Asia and the Pacific have faced huge challenges in providing health care, education, affordable housing, and social services, especially for the urban poor. These challenges have increased during the COVID-19 pandemic.

As part of its response to COVID-19 in the Pacific, ADB committed technical assistance to support access to clean water and sanitation facilities and enhanced hygiene practices in all Pacific DMCs. In November, the project delivered a webinar on pandemic planning for water utility managers in these DMCs to ensure business continuity of essential services in case of local transmission of COVID-19.

ADB nonsovereign commitments helped ensure the uninterrupted supply of essential energy services to households, hospitals, industry, and other key services to support business continuity in Wuhan city and Hubei province in the PRC, enhancing urban resilience. Meanwhile, in India, ADB signed a \$50.9 million financing agreement with ReNew Power Private Limited, the country's largest independent renewable energy company, to help finance its working capital needs amid the pandemic.

Other projects to promote livable cities in 2020 covered urban water supply, wastewater and sanitation, and flood control, and addressed multiple issues together in integrated approaches to urban

development. In the PRC, for example, ADB signed a \$127.3 million loan to demonstrate low-carbon, climate-resilient urban development in Yanji city in Jilin province. The project will support city investments in transport infrastructure as well as bicycle paths, drainage, and green spaces. These investments are expected to help promote healthier lifestyles for Yanji's citizens, reduce carbon emissions by 60,000 tons per year, and conserve about 4.8 million cubic meters of water annually.

Through the new *Creating Investable Cities* initiative, ADB is expected to provide technical assistance funded by grants to a pool of up to 15–20 cities over the next 5 years. The support will foster early-stage planning of quality municipal infrastructure, increased resource mobilization and interagency coordination to support private sector participation, and improved capacity to implement quality infrastructure and build back better.



Promoting Rural Development and Food Security

Aside from job losses, limited wage labor opportunities, and reduced remittance income for the rural population, COVID-19's prolonged quarantine measures adversely impacted food trade and disrupted local agriculture supply chains in many DMCs. Despite the restrictions in mobility, ADB continued to promote rural development and food security by providing working capital for agribusiness, supporting value chain linkages, and pursuing policy reform. In 2020, it committed \$1.3 billion in ordinary capital and concessional resources to agriculture, natural resources, and rural development, making up 4% of such resources committed.

Through its private sector operations, for example, ADB provided an emergency working capital loan of \$10 million to Pran Dairy Limited in Bangladesh. The loan allowed Pran to continue procuring raw milk from the 12,000 smallholder dairy farmers in its value chain and to expand to a further 1,200 farmers who would otherwise have lost income.

In Maharashtra, India, ADB provided technical assistance to implement a direct digital marketing pilot with private sector companies to effectively link farmer groups with urban consumers. The project will address supply chain disruptions caused by COVID-19 and generate business opportunities for farmers, while supplying fresh vegetables and fruits for urban consumers.

In the Philippines, the government identified agriculture as a priority area for reform under its COVID-19 pandemic economic recovery program. ADB provided a \$400 million policy-based loan to

the country to help implement trade policy and regulatory reforms to expand economic opportunities in the farming sector. This will help enhance public services and finance, provide unconditional cash grants for rural families affected by the reforms, provide zero-interest loans to over 1 million smallholder farmers, and implement preschool feeding programs to reduce malnutrition and stunting.



Strengthening Governance and Institutional Capacity

Responding to COVID-19 has placed severe strain on many DMC governments' budget and their ability to deliver adequate public services. To effectively respond to the pandemic, ADB assessed the public finance capabilities of DMCs for each CPRO project, and designed measures to ensure the proper use of emergency funds. To help DMCs meet fiscal challenges while preserving service delivery given the added financial pressures of the pandemic, ADB provided substantial policy support for tax and customs collection, budgeting, debt sustainability, reform of state-owned enterprises (SOEs), and improvements in local governance.

The pandemic has brought into sharp focus the need to boost revenue collection by broadening countries' tax bases. Among a number of commitments in 2020 supporting domestic resource mobilization, ADB provided regional technical assistance to help DMCs strengthen property tax management to enhance local revenue and service delivery. This is concentrating on improving property registration and valuation and providing capacity building in local tax policy and administration. The bank is providing focused assistance to enhance domestic resource mobilization in Pakistan, the Philippines, and Mongolia. ADB is also supporting DMCs to build a sound tax and fiscal policy geared toward ensuring that digital businesses pay a fair share of tax.

In September 2020, ADB announced the establishment of a regional hub on domestic resource mobilization and international tax cooperation. The hub will provide an open and inclusive platform for strategic policy dialogue, knowledge sharing, and development collaboration and coordination among ADB members and development partners.

Another governance priority for ADB is reform of SOEs, supporting their sustainability and enhancing critical infrastructure. In Papua New Guinea, ADB committed policy-based lending specifically focused on SOE reform, and policy-based lending designed to help governments in the wake of COVID-19 include SOE reform policy actions. ADB is also doing more to combine sector reform with reform of SOEs,

in 2020 working to ensure improved access to water in Georgia and electricity in Palau.

In addition, ADB's law and policy reform efforts contributed to private sector development in Myanmar, assisting with the enactment of a modernized insolvency law and providing capacity development to government agencies, judges, and lawyers. The bank also supported the enactment of a new public-private partnership law in Viet Nam.



Fostering Regional Cooperation and Integration

COVID-19 restricted the international flow of trade, people, and resources. A potentially much larger degree of damage from the pandemic was averted by prompt and sustained collaboration. ADB helped DMCs maintain trade flows through continued operation of border checkpoints; supported regional value chains; and helped protect the vulnerable such as SMEs, people in border areas, and migrants.

The volume and number of ADB's sovereign and nonsovereign operations supporting regional cooperation and integration (RCI) increased to \$13.8 billion across 51 projects in 2020 (\$16.7 billion including revolving programs). This was largely because of the number of RCI-related projects financed through countercyclical fiscal support programs for pandemic response. In Thailand, for example, the COVID-19 Active Response and Expenditure Support program supports migrants' health coverage and livelihoods, regional value chains, and stabilization of Thailand's fairly large banking sector and bond market.

ADB is seeking to leverage stronger regional cooperation to help DMCs to recover from the pandemic. In 2020, the bank supported DMCs' medium-term recovery needs, including through work on developing more sustainable and resilient maritime transport, strengthening regional service value chains and supporting SMEs, and helping small island developing states mitigate climate change and transboundary health risks.

Asian Development Fund replenishment

The [Asian Development Fund 13 \(ADF 13\)](#) is an important vehicle for tackling the pandemic and building a sustainable and inclusive recovery in line with Strategy 2030. In 2020, donors agreed to a replenishment in excess of \$4 billion to ADF 13 and Technical Assistance Fund 7 (TASF 7) for 2021–2024.

ADF 13 is the first replenishment to support Strategy 2030 over its full cycle. It encourages governments to consider ambitious projects that support RCI; regional public goods such as regional health security, disaster risk reduction, and climate change adaptation; and the transformative gender agenda of Sustainable Development Goal 5. ADF 13 will also help finance quality infrastructure in line with the G20's principles of strong governance, private sector development, and debt sustainability, which have become even more critical in the fight against the pandemic.

INTERNAL MEASURES TO STRENGTHEN COVID-19 RESPONSE

A priority for ADB in 2020 was safeguarding its personnel while ensuring business continuity to continue helping its DMCs. In March, ADB expanded its work-from-home arrangements with most personnel then working remotely for the remainder of the year. This required a significant acceleration of ADB's efforts to strengthen its technology infrastructure to support decentralized work.

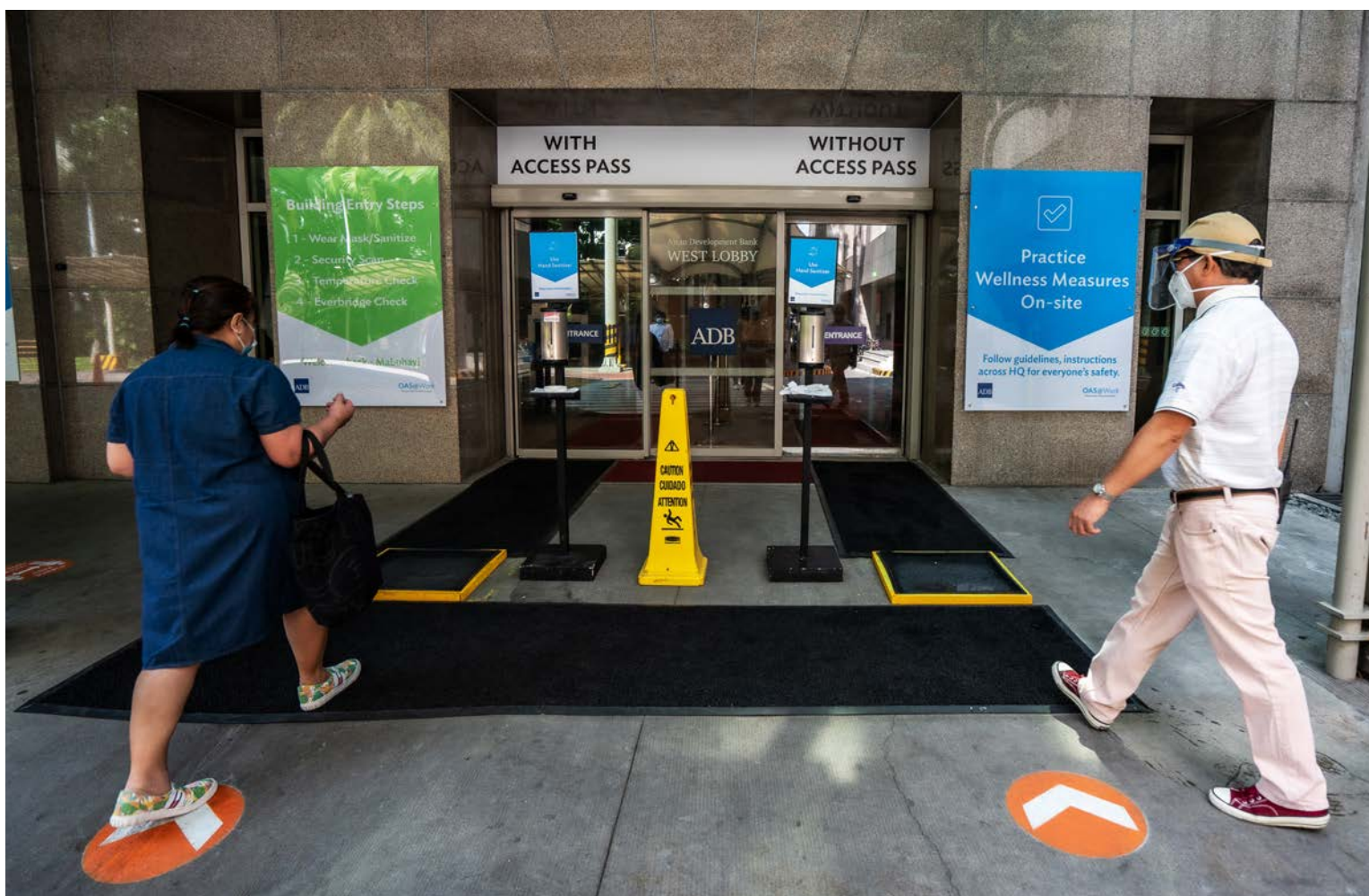
ADB supported staff through wide-ranging initiatives that included expanded medical, health, and training resources; provision of extra information technology (IT) equipment; strengthened communication; and greater flexibility in leave and benefits. The bank continually monitored the medical situation in its members and adjusted its protective measures accordingly, considering the impacts on staff members and their families and on consultants and contractors.

The bank introduced more flexibility in resource reallocation. It also implemented an expanded flexible budget management mechanism to better respond to COVID-19-related costs.

Streamlined procurement processes for faster response. ADB fast-tracked improvements to its business processes in response to the COVID-19 pandemic. It enhanced procurement of scarce medical supplies, coordinating closely with the United Nations and other international agencies to ensure quality and value for money. Using technical assistance financing to meet critical needs, ADB procured and delivered \$13.3 million worth of PPE



The Asian Development Fund 13 is an important vehicle for tackling the pandemic and building a sustainable and inclusive recovery in line with Strategy 2030.



ADB personnel enter headquarters. The bank quickly updated its office safety procedures to help avoid virus transmission.

to 13 developing countries. ADB also encouraged the use of online systems to continue public procurement in the face of lockdowns and social distancing. It accredited the e-procurement platforms of three DMCs and provided a free e-bidding portal that was adopted by 10 DMCs.

Enhanced portfolio management under emergency conditions. ADB helped strengthen the capacity of its DMCs to manage projects amid the pandemic. The bank provided guidance on occupational health and safety for ADB-financed operations, worked closely with government agencies to review portfolio performance and ensure environmental and social safeguards, and tapped into new technologies to accelerate contract awarding and disbursement. ADB's resident missions were crucial in speeding up the bank's response to emerging project needs.

Staged two-part Annual Meeting to share COVID-19 strategies and solutions. Held in two parts in May and September 2020, the virtual 53rd ADB Annual Meeting focused on challenges, strategies, and courses of action to address the impacts of the pandemic. It provided an opportunity for ADB governors, ministers, and other senior officials to come together and share insights on responding to COVID-19.

During the second stage, ADB, WHO, and the Government of Japan held a symposium for health and finance ministers. Participants shared lessons on COVID-19 response and discussed how to strengthen universal health coverage to help increase the region's resilience to health and economic shocks.

KNOWLEDGE SOLUTIONS FOR EFFECTIVE COVID-19 RESPONSE

The spread of COVID-19 demonstrated the importance of prompt and comprehensive [knowledge support](#) in helping DMCs contain and recover from the effects of the pandemic. The bank accelerated its analytical and policy advisory services to supply timely evidence for policymaking and rapidly facilitated the sharing of lessons and experience across its members.

ADB's pandemic-related knowledge work highlighted the importance of greater regional cooperation, expanded social protection, and attention to gender issues and disparities; and the need for green infrastructure investment. To help respond to the fiscal and sovereign debt impacts of the pandemic, this work included reform suggestions for taxation, SOEs, public-private partnerships, and intragovernmental fiscal transfers.

ADB worked with global technical experts, nongovernment organizations, private sector and industry associations, and academia to help its DMCs design and implement effective, evidence-based COVID-19 responses. Technical assistance for COVID-19 response amounted to \$133.6 million.

Of the 352 knowledge products and services delivered by ADB in 2020, 93 or 26% were related to COVID-19. Part of this work included [COVID-19 sector and thematic guidance notes](#) on the new normal.

Online mapping tool to help unblock medical supply lines and boost production. To help overcome shortages of life-saving supplies and equipment, ADB developed an online [supply chain mapping tool](#) to identify companies involved in producing and distributing pandemic-related goods. Launched in May, the tool enables governments, banks, investors, and health-care professionals to trace the companies that make every component in products such as portable ventilators. ADB expanded the tool's coverage from PPE and medical equipment to include vaccines, treatments, tests, and cold chain products.

In-depth analysis of the pandemic's economic effects. This included reports and policy briefs throughout the year on the macroeconomic impacts of COVID-19, drawing on the latest information on outbreak severity and containment measures. ADB's think tank, the Asian Development Bank Institute, collaborated with the CAREC Institute

to survey MSMEs, households, and farms in Southeast Asia, South Asia, and Central Asia. ADB used these survey results to broaden understanding across Asia and the Pacific of the severity of the pandemic's impacts on production, sales, profits, jobs, incomes, livelihoods, and education.

Technical knowledge specific to developing member countries' issues. ADB produced guidance notes, policy briefs, webinars, blogs, and other [knowledge products](#) to help DMCs pursue development goals in the new "COVID-19 normal." Topics included the shift to online learning, managing infectious medical waste, maintaining open trade and investment regimes, revitalizing tourism, designing and delivering new social protection systems, and working for a green and low-carbon recovery.

Policy discussions and flagship knowledge events to support pandemic responses. The bank launched a series of Policy Actions for COVID-19 Economic Recovery Dialogues for senior government officials in Southeast Asia to explore innovative policy measures and actionable initiatives to help accelerate recovery. The dialogues addressed a range of issues, including vaccine distribution readiness, education technology, tourism recovery, and adaptive outbreak control. The 15th Asia Clean Energy Forum featured the impact of COVID-19 on energy systems and policy responses, while the Asia and the Pacific Transport Forum 2020 detailed the future of transport in the context of the pandemic. The Asian Fintech Policy Roundtable discussed how to encourage appropriate policymaking for fintech development in response to COVID-19.

Knowledge partnerships to respond to COVID-19. Throughout 2020, ADB partnered with a wide range of organizations on knowledge resources related to COVID-19. ADB, in collaboration with multilateral and other development partners, organized webinars on gender and COVID-19 and held a roundtable discussion with UN Women on promoting gender equality in COVID-19 response and recovery. ADB also liaised with Johns Hopkins University on mapping COVID-19 cases to analyze the economic impacts of travel restrictions across the globe. ADB is partnering with the Austrian Institute of Technology on simulating passenger movement models in three metro stations in Tbilisi, Georgia.

Incorporating lessons learned in knowledge management. How ADB is using knowledge to advance its long-term agenda amid COVID-19 was at the core of [Knowledge Solutions for Development: An Independent Evaluation of ADB's Readiness for Strategy 2030](#). The evaluation emphasized that the bank must change its incentives and develop a more collaborative and knowledge-oriented culture,

such as that adopted during its immediate response to COVID-19. Building on this experience, ADB is exploring further approaches to make its knowledge work more collaborative, inclusive, and innovative.

Shifting to online platforms in 2020 to host events enabled ADB to better target participants, reach wider audiences, and engage the participants and speakers more actively and flexibly in the discussions. The virtual Asia Pacific Youth Symposium attracted 1,000 registrants, for example, and a further 4,000 participants via Facebook streaming. In Cambodia, 10,000 teachers and principals joined workshops on education technology and education in science, technology, engineering, and mathematics (STEM). More than 600 participants attended an event series on green recovery and nature. Online platforms lowered events' costs and carbon footprint, though weak internet connections and scheduling across time zones presented some challenges.

ADB made conscious efforts in 2020 to ensure gender-diverse panels when hosting events. ADB's Resilience Learning Week achieved 51% female representation across panelists, facilitators, and trainers for 12 online events. All evaluation-related



The bank accelerated its analytical and policy advisory services to supply timely evidence for policymaking and rapidly facilitated the sharing of lessons and experience across its members.

events involved at least 30% female participation on panels. The bank will increase its efforts to identify and engage women speakers, particularly in relation to infrastructure.

COVID-19 has been a challenge for ADB, Asia and the Pacific, and the world. Throughout 2020, the bank remained committed to helping DMCs weather the immediate impacts of the pandemic and achieve a sustainable and inclusive economic recovery using finance, knowledge, and partnerships to pave the way for a new and better normal.



ADB reallocated a \$100,000 grant to support Tajikistan in accessing medical supplies and equipment. To help overcome shortages of life-saving products, ADB developed an online supply chain mapping tool to identify companies involved in producing and distributing pandemic-related goods.

CENTRAL AND WEST ASIA

Afghanistan, Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, Uzbekistan

BY THE NUMBERS

\$6.6 B
COMMITTED

\$4.0 B
COVID-19
RESPONSE

\$5.3 B
DISBURSED

\$3.7 B
COFINANCED

Across Central and West Asia, the necessary public health responses to contain the spread of COVID-19 have weighed heavily on economic growth, which contracted in most countries of the region in 2020.

Hydrocarbon exporters such as [Azerbaijan](#), [Kazakhstan](#), [Turkmenistan](#), and [Uzbekistan](#) were hampered by the globally low oil price. For hydrocarbon importers, economic growth took a hit on the back of a collapse in tourism (as in [Armenia](#) and [Georgia](#)) and a sharp drop in remittances (as in the [Kyrgyz Republic](#) and [Tajikistan](#)).

The devastating effects of COVID-19 slowed efforts to address [Pakistan's](#) economic challenges, while also inflicting damage on the fragile and aid-dependent economy of [Afghanistan](#).

Businesses throughout the region were badly affected by travel restrictions, lower demand for goods and services, and supply-side value chain disruptions and factory closures, leading to job losses.

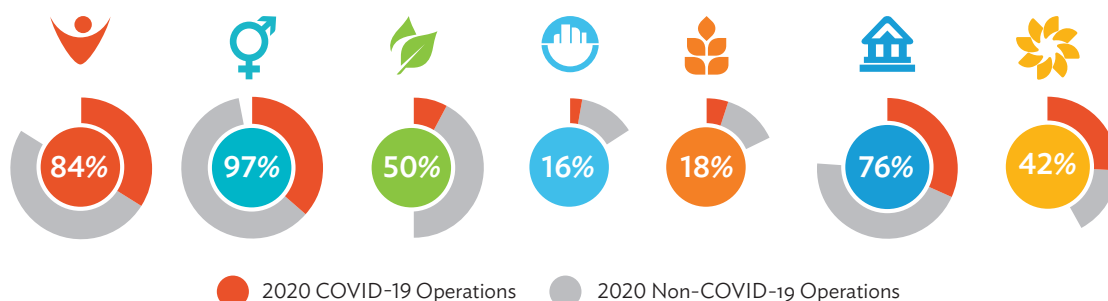
Developing member countries (DMCs) in Central and West Asia announced policy packages totaling \$48.5 billion, equivalent to 7.2% of the region's gross domestic product. These involved health, fiscal,

monetary, and financial policies. Governments' relief measures included extending tax collection deadlines and providing loans and guarantees to support small private businesses in hard-hit sectors.

ADB quickly supported DMCs to implement their pandemic responses. It committed a total of \$6.6 billion in Central and West Asia in 2020, up by 8% from 2019. Around 60% of the overall commitment for the region supported pandemic response—primarily through use of the COVID-19 Pandemic Response Option, amounting to \$2.4 billion for seven DMCs. In particular, ADB committed \$1 billion to Kazakhstan, \$500 million to Pakistan, and \$500 million to Uzbekistan for budget support. Complementing this sovereign COVID-19 assistance, ADB committed nonsovereign financing of \$24 million to provide working capital support to a power distribution network company in Armenia and to agriculture borrowers in Georgia.

With weaker demand, inflation remained low for most countries of Central and West Asia in 2020. Fiscal deficits deteriorated in several countries, reflecting the stimulus measures taken to tackle COVID-19 amid weaker revenues. Downside risks and uncertainty prevail and—together with higher

Percentage of ADB's Committed Operations in Central and West Asia Supporting Each Strategy 2030 Priority



Note: Excludes technical assistance grants and revolving programs. Shares sum to more than 100%. Reflecting the more integrated approach to development challenges outlined in Strategy 2030, most new ADB operations address multiple operational priorities.



A child psychologist visits a family as a part of a mobile team that supports young children with speech development and other difficulties.

debt, growing financing needs, persistent oil price volatility, and geopolitical tensions—threaten the region's recovery.

Throughout 2020, in addition to supporting the direct pandemic response, ADB continued to help DMCs in the region build competitive and inclusive economies, rehabilitate priority roads, pursue reforms in the power sector, improve skills development, and strengthen solid waste management.

STRATEGIC FOCUS



Addressing Remaining Poverty and Reducing Inequalities

As part of its comprehensive support to help Georgia mitigate the impacts of the pandemic, ADB provided a policy-based loan of \$201.7 million for a fiscal resilience and social protection support program. The program supports government reforms to the national pension scheme, benefiting senior citizens and



EXPANDING EDUCATION SUPPORT IN ARMENIA

When lockdowns and quarantine arrangements became necessary responses to the COVID-19 pandemic in Armenia, teachers, students, and parents soon felt burdened by the rapid changes in learning approaches and the unfamiliar teaching environment. Online educational methods understandably had a profound impact on the emotional well-being and social interaction of all involved.

ADB promptly committed a \$50,000 technical assistance grant to support the Government of Armenia in responding to the pandemic's impacts on those in the education sector. This initiative is delivering online and offline tools to help cope with psychological difficulties, connect those affected to appropriate social services, provide new training to parents and teachers, and operate a phone hotline for rapid response and support. Through this investment, ADB is impacting academic performance, improving personal and professional relationships, and influencing the future employment prospects of young Armenians. The bank is also supporting the government with a \$750,000 technical assistance package to revamp distance education in the country. The project will help develop and launch a new distance education system; provide relevant training for 80 teachers through a mentorship model; and consolidate existing distance education materials, videos, and resources.

EFFICIENCIES BOOST REGIONAL POWER SUPPLY



A woman works at a textile factory in Turkmenistan. A revitalized electricity grid will provide Turkmenistan with more reliable power and will increase power exports to Afghanistan and other neighboring countries.

Energy-rich Turkmenistan, which possesses the world's fourth-largest reserves of natural gas, is in a unique position to export electricity to neighboring countries. Boosting exports is crucial to the region's energy security and to tackling energy poverty in countries like Afghanistan, where millions are still without access to electricity.

With a \$500 million loan from ADB, Turkmenistan is revitalizing its transmission grid to improve the reliability of its power supply and increase electricity exports to its neighbors.

Despite the challenging circumstances of 2020, Turkmenistan's Ministry of Energy achieved a number of contract and procurement efficiencies on the project. These resulted in about \$100 million in savings on the signed value of the contracts against the engineering estimates. The savings will be used to rehabilitate four additional substations and an extra 380 kilometers of transmission lines from Mary to Ashgabat.

In 2021, Turkmenistan's strengthened network is expected to deliver an additional 1 gigawatt-hour of electricity to Afghanistan. Power exports to Afghanistan will increase to 4 gigawatt-hours by 2030—enough electricity to power about 25,000 additional households for a year.

"The successful completion of the project will create a single energy ring, which in turn will increase the reliability of energy supply to domestic consumers and increase Turkmenistan's export opportunities," says Suleyman Bayrammyradov, Deputy Head of the International Department within Turkmenistan's Ministry of Energy.

improving other social protection systems to promote Georgia's return to inclusive economic growth. ADB also committed \$50 million in integrated budget support to help the Kyrgyz Republic mitigate the health, social, and economic impacts of COVID-19.

In Afghanistan, ADB committed \$40 million for the construction and rehabilitation of 15 hospitals and medical facilities, adding more than 1,100 new hospital beds. In Armenia, additional financing of \$550,000 committed from the High-Level Technology Fund will support telemedicine and a human resources information system for the health sector. ADB committed \$100 million to support the testing, surveillance, and case management of COVID-19 in Uzbekistan. The bank also committed a technical assistance package of \$4.3 million to support digital health pilots in response to COVID-19 in [Central Asia Regional Economic Cooperation](#) (CAREC) countries and the Caucasus.

ADB committed a \$30 million grant to Tajikistan to strengthen the skills of young people, women, and labor migrants to improve their employability and wages, and to enhance the capacity of employment and migration agencies. The project will build and equip three new migration service centers and three new "model job centers" for more-focused skills training. It will also help develop a new national classification of occupations based on international standards for skills.



Accelerating Progress in Gender Equality

ADB promoted gender equality in 86% of the number of its committed projects in Central and West Asia during 2018–2020, up from 73% during 2017–2019. The bank increased its support to poor households (often women-led) and health workers (many of whom are women) caring for COVID-19 patients.

ADB also boosted gender mainstreaming in energy and transport through innovative approaches. In Afghanistan, for example, a \$36 million project committed to improve the country's energy supply will provide livelihood training for 200 women. In Uzbekistan, a road development project will build two rural community centers to provide women with livelihood training and quick access to health services through telemedicine.

In Armenia, ADB signed a \$15 million nonsovereign loan with Armeconombank OJSC to support lending to micro, small, and medium-sized enterprises (MSMEs), especially to those led by women and located outside the capital. MSMEs provide important avenues for women to participate in the country's economic development. However, it is estimated that half of the country's 130,000 MSMEs have no access to commercial financing, so the impact of ADB's investment will be significant for women.



Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

Despite the shift in focus brought by COVID-19, ADB has remained committed to addressing climate change and disaster resilience in Central and West Asia. Of the total number of projects committed in this region in 2020, 47% included climate mitigation or adaptation components (compared to 53% in 2019). Total climate financing amounted to \$556 million, from ADB's own resources. Through these projects, ADB will help deliver an estimated reduction of 79,300 metric tons of carbon dioxide emissions every year.

In Uzbekistan, ADB provided \$200 million in policy-based lending to support power sector decarbonization and greater energy efficiency. In Afghanistan, it provided additional financing of \$18.3 million to increase water storage and access, reduce flood risks, and support alternative income sources.

To decrease sediment inflow into the upper stream of Tajikistan's Chubek Irrigation System by as much as 85%, ADB committed additional financing of \$15 million for water resources management in the Pyanj River Basin. The project will ensure that the water quality is suitable for agricultural production and will make the irrigation system more cost-effective by reducing the need for sediment removal.



Making Cities More Livable

Making cities more livable through holistic and integrated approaches is at the core of ADB's urban operations in Central and West Asia. These prioritize innovative service delivery in critical areas of water supply, sanitation, and solid waste management, benefiting the poor and women, who have been most impacted by the pandemic.

In Uzbekistan, ADB committed \$60 million to a solid waste management project that will benefit 6 million people. The investment covers 300 collection vehicles, 6,000 bins, and other equipment to improve waste collection and disposal services nationwide. The project will also expand GPS tracking to all waste management vehicles and use solar power in service centers.

ADB subscribed \$17.5 million in green bonds issued by Georgia Global Utilities JSC (GGU) to upgrade water supply and sanitation in Tbilisi and nearby municipalities, and to refinance debt of renewable energy and water operations. ADB administered a further investment of \$17.5 million in cofinancing. The investments form part of a \$250 million issue by GGU of Georgia's first green bond, listed on the Global Exchange Market of the Irish Stock Exchange.

In the Kyrgyz Republic, ADB committed a grant of \$500,000 to help provide 400,000 people with safe and reliable water by upgrading the chlorine neutralization unit at the Osh-Plotina water treatment plant.

ADB also committed \$235 million to develop a 26.6-kilometer bus rapid transit corridor and associated facilities in Karachi, Pakistan. The project will improve livability for about 1.5 million people by saving time for passengers, improving air quality, and reducing carbon emissions through an innovative waste-to-fuel scheme.



Promoting Rural Development and Food Security

To strengthen food security in Afghanistan during the pandemic, ADB reallocated \$10 million from a horticulture value chain project and an integrated water resources project to help construct vegetable storage, solar dryers for fruit and vegetables, and other on-farm equipment. These investments have helped about 2,000 vulnerable farming households continue to make a living despite disrupted supply chains.

In Pakistan, ADB knowledge support and technical assistance will help address the locust infestation crisis and mitigate other hazards by using data collection technologies to monitor crop production and market prices. These data can then be disseminated to the government and rural communities to help assess the performance of Pakistan's food security institutions and help build a long-term and sustainable food security system.

IN 2020, ADB'S COMMITMENTS IN THIS REGION WERE PRIMARILY IN THE FOLLOWING SECTORS:

34%

PUBLIC SECTOR
MANAGEMENT

15%

INDUSTRY
AND TRADE

14%

FINANCE

11%

TRANSPORT

10%

HEALTH



Strengthening Governance and Institutional Capacity

ADB prioritizes institutional development and capacity building as a critical part of its support to DMCs in Central and West Asia. Approximately 76% of the number of projects committed for the region in 2020 included support for improved governance and institutional capacity.

In Georgia, ADB committed its first sector development program: \$157.2 million in loans to support the government's pursuit of sustainable water supply and sanitation services. The program will include improving the efficiency of a state-owned enterprise, the United Water Supply Company of Georgia (UWSCG). It will help strengthen UWSCG's corporate governance to enable greater autonomy, accountability, operational efficiency, and financial performance, while ensuring funding for the basic services that cover 90% of the nation's geographic area.

In Pakistan, ADB provided two policy-based loans to strengthen the country's finance sector and improve trade competitiveness and exports. A \$300 million policy-based loan will help develop competitive capital markets and encourage private sector investment through reforms that enhance the institutional and regulatory capacity of government bodies. A second \$300 million subprogram will improve trade and international competitiveness by introducing important tariff and tax-related policy reforms to support Pakistan's export industry. It will also strengthen key institutions, including accreditation bodies, the Export-Import Bank of Pakistan, and the Pakistan Single Window initiative.

ADB committed \$50 million to support Tajikistan's efforts to implement policy and institutional reforms to accelerate sustainable private sector growth. The reforms will enhance

banking sector stability, an enabling environment for the finance sector, and fiscal management. They will help expand economic opportunities and develop the private sector by reducing the cost of doing business, strengthening business regulation, and increasing business innovation and productivity.

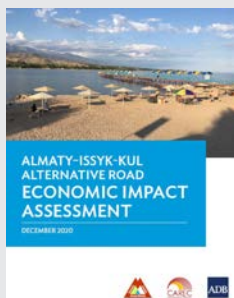


Fostering Regional Cooperation and Integration

In Kazakhstan, ADB committed \$150 million to foster regional connectivity in an area of the country with low market accessibility. The project will upgrade an existing two-lane 89-kilometer road built in the 1970s to a modern four-lane highway, reducing travel time from Aktobe to Kandyagash by 5 hours. This roadway links to CAREC corridors that connect Kazakhstan to the People's Republic of China, the Russian Federation, and Europe.

In Afghanistan, ADB provided a \$110 million grant to finance the construction of 201 kilometers (the Afghan segment) of a 500-kilovolt power transmission line that runs from the Surkhan substation in Uzbekistan to the Khwaja-Alwan substation in Afghanistan. This connection will provide Afghanistan with an annual regional power import of 3,000 gigawatt-hours, providing improved services to existing customers and facilitating about 500,000 new connections to households and businesses. The project will reduce greenhouse gas emissions by 320,000 tons each year by decreasing the use of diesel and fuel oil for domestic power generation.

The CAREC program incorporated COVID-19 response into existing initiatives on disaster risk management, tourism, and health. The program approved gender and tourism strategies and adopted a new results framework to monitor progress. It also launched regional initiatives for health cooperation, food safety, water resources



Exploring an Alternative Road to Greater Tourism

ADB is exploring the potential tourism benefits of a more direct road between Almaty, the economic center of Kazakhstan, and the shores of Issyk-Kul in the Kyrgyz Republic, a popular lakeside holiday destination. The final [economic impact assessment](#) was discussed in virtual consultations with the governments of the two countries during September and October 2020.



An Afghan health specialist works in the laboratory of the Afghan–Japan special hospital for COVID-19 patients in Kabul. ADB committed \$40 million to help construct and upgrade 15 hospitals and medical facilities in the country.

management, and the promotion of start-up enterprises and technology.

KNOWLEDGE HIGHLIGHTS

In 2020, ADB provided key knowledge solutions and comprehensive analytical support on economic and social impacts of the pandemic.

In November, the bank published a paper to assess how COVID-19 has affected prospects for food security in Central and West Asia. It considers the impacts of restrictions in labor movement, disruptions to agriculture supply chains, and other factors affecting the supply of adequate quality food in the region. The paper highlights strategic options to enhance agricultural productivity and competitiveness as Central and West Asia moves toward a more secure food future in the aftermath of the pandemic.

ADB hosted a series of knowledge events and webinars on preparing for COVID-19 vaccines in the subregion for policymakers and governments, national think tanks and experts, and the general public.

A CAREC scoping study on health cooperation proposed measures for greater regional cooperation. ADB then prepared a technical assistance project to support health sector initiatives in Central and West Asia, including the development of a regional health strategy.

The bank also supported the Government of Azerbaijan in piloting gender-responsive budgeting and prepared a discussion paper on gender responsiveness in the country's public financial management system.

CHAPTER 2: REGIONS

EAST ASIA

The People's Republic of China, Mongolia

BY THE
NUMBERS\$2.9 B
COMMITTED\$385 M
COVID-19
RESPONSE\$1.9 B
DISBURSED\$1.1 B
COFINANCED

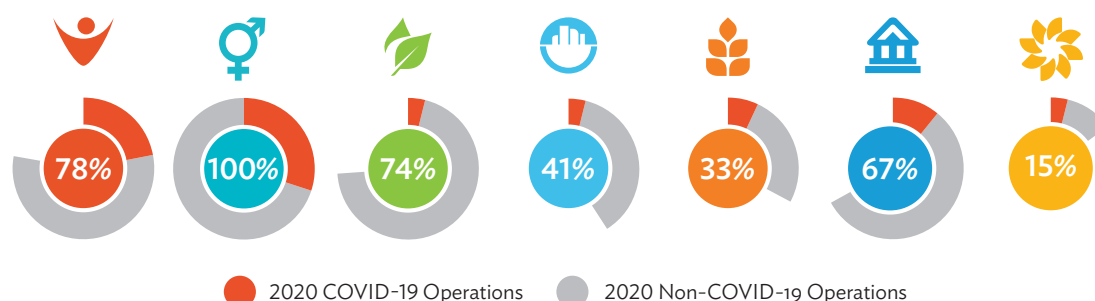
East Asia was the first region hit by the COVID-19 pandemic. While containment measures were quickly deployed to safeguard lives, massive economic shocks were soon felt and supply chains, trade, and tourism were disrupted. Aggressive economic measures, such as expedited construction works, income guarantees, and cash transfers, managed to cushion some of the impacts, but economic prospects remained fluid throughout 2020. Policy measures announced in the region during 2020 totaled \$2.7 trillion or 16.4% of regional gross domestic product. The economy of Mongolia, a country heavily dependent on external demand, continued to contract, while the economy of the People's Republic of China (PRC) bounced back and registered growth of 2.3%.

In 2020, ADB committed \$371.3 million for sovereign operations in Mongolia, of which over 40% was for COVID-19 support, and \$34.9 million for nonsovereign operations. In the PRC, ADB committed \$2 billion under sovereign operations and \$450.2 million under nonsovereign operations (excluding B loans). Including technical assistance and special grants, ADB committed a total of \$2.9 billion for sovereign and nonsovereign operations in the East Asia region, up by 9% from 2019.

ADB's response to the COVID-19 crisis in East Asia focused on immediate economic recovery and social protection for poor and vulnerable groups, while also addressing longer-term issues such as weak health systems. For Mongolia, ADB committed a \$100 million countercyclical support loan for the COVID-19 Rapid Response Program. For the PRC, where the private sector is more developed, ADB channeled \$38.5 million through nonsovereign operations to ensure continued supply of essential medicines and natural gas in the city of Wuhan and other areas of Hubei province. The bank also provided support to the Government of the PRC to enhance preparedness for future pandemics by strengthening the country's long-term health security.

As the global recovery from the pandemic gathers pace, the economies of East Asia need to gradually return their attention to long-standing development challenges. The PRC's path to a fully modernized economy requires new drivers of growth while addressing an aging population, income inequality, and the rural-urban divide. Measures to contain and reduce severe environmental degradation and pollution must be considered along with economic growth in reaching policy decisions, and additional initiatives are needed to protect the environment.

Percentage of ADB's Committed Operations in East Asia Supporting Each Strategy 2030 Priority



Note: Excludes technical assistance grants and revolving programs. Shares sum to more than 100%. Reflecting the more integrated approach to development challenges outlined in Strategy 2030, most new ADB operations address multiple operational priorities.



ADB's COVID-19 support to Mongolia is making the national domestic violence response mechanism resilient to pandemics and other crises.

The same scenario applies in Mongolia, where large-scale mining developments have led to competition for land and scarce water supplies. Mongolia's quest for a more broad-based economy could help ensure sustainable inclusive growth and reduce macroeconomic instability.

STRATEGIC FOCUS



Addressing Remaining Poverty and Reducing Inequalities

In line with ADB's country partnership strategy for the PRC, 2016–2020, ADB continued to support the PRC's education sector to help promote inclusive economic growth. In November 2020, the bank committed a \$100 million loan to improve access to quality early childhood education in Shangrao municipality, a poor area of Jiangxi province. Using results-based lending, the program will make education more affordable for more than 3 million disadvantaged children; establish standard competency frameworks for teachers, principals, and



TACKLING DOMESTIC VIOLENCE IN MONGOLIA

In Mongolia, as in many other countries, the COVID-19 crisis has caused a spike in domestic violence. Police and other support services report that phone calls to helplines increased by up to 30% during the first quarter of 2020, with women making up 93% of victims.

Lockdowns made it hard for domestic-abuse victims to venture out for advice and counseling. Overloaded helplines, some unable to accommodate multiple calls, meant many people struggled to reach the right support services.

A \$400,000 ADB technical assistance grant is strengthening Mongolia's national domestic violence response system by building chatbots into the websites of the National Center Against Violence and the National Legal Institute, making services available both day and, importantly, at night when women need help most. The funding is also being used for a multimedia communication campaign to boost abuse prevention and increase access to legal and psychosocial counseling.

To guide decision-making, ADB is also helping the Government of Mongolia build a central database—including privacy protocols to protect identities—so all calls are documented, whether they come via the 107 domestic violence hotline, 102 police hotline, legal call center, nongovernment help websites, or chatbots. To help keep services operational during the pandemic, ADB is financing the procurement of personal protective equipment, first aid kits, and disinfection materials for police units, women's shelters, and one-stop service centers across the country. Mobile ultrasound equipment is reducing the need for victims to go to medical centers during lockdowns.

BUS NETWORK RELIEVES PRESSURE ON GROWING CITY



New bus lanes have reduced commuting time in Yichang. ADB invested to help construct almost 24 kilometers of dedicated lanes where clean, modern, and fast-moving buses could cut through gridlock.

A new bus rapid transit system is reducing traffic, pollution, and road accidents in Yichang, People's Republic of China. With Yichang facing rapid urbanization, ADB contributed a loan of \$150 million to help introduce a bus rapid transit (BRT) system and road network improvement. Nineteen bus lines have been in operation since 2016.

Since the project's completion, use of buses in Yichang has increased 149% with a passenger survey revealing that 38% of BRT users had made the switch from private vehicles and taxis.

These changes in travel behavior, along with dedicated bicycle and pedestrian lanes and more training for bus drivers, have contributed to a substantial drop in traffic accidents and fatalities. Deaths from road accidents in the city have fallen by 85% over the past decade.

Reduced traffic has also shortened journey times. Zhou QinHua takes her young daughter to school by bus. "Now we save 10 minutes each way," she says. The BRT has contributed to emissions reductions that in 2019 totaled 42,480 tons of CO₂ equivalent.

childcare staff; and develop models and mechanisms for improving the quality of early childhood education.

Recognizing that the Yangtze River Basin still faces significant development and economic challenges, ADB committed a \$100 million loan to Yunnan province in the PRC to enhance water resources and wastewater management. The project will improve the living standards of 127,015 residents (47% women) and 25,403 low-income people living around the project area by reducing solid waste and water pollution in the Sayu River Basin. The project will create about 2,200 jobs.

In Mongolia, the bank committed \$29.9 million as additional financing for an existing health project to upgrade key hospital facilities in Ulaanbaatar and other regions of the country. To help Mongolia's poor and vulnerable cope with the impacts of the COVID-19 pandemic, ADB committed a \$26.4 million emergency assistance loan to expand food stamps and cash grants.

ADB is also improving access to, and the quality of, mainstream education for children with disabilities in Mongolia. Through a \$2 million grant from the Japan Fund for Poverty Reduction (JFPR), the bank is supporting an inclusive education project to improve accessibility in schools and kindergartens by building ramps, modifying toilets, and installing railings and braille signage. The project will also provide specialized devices to students to promote alternative communication methods, while training teachers in inclusive culture, policies, and practices.



Accelerating Progress in Gender Equality

Promoting gender equality is a key focus of ADB's work in East Asia. ADB promoted gender equality in 90% of its number of committed projects in the region during 2018–2020, up from 80% during 2017–2019.

In August, ADB committed a \$212.4 million loan for a technical and vocational education and training project in the Chongqing municipality of the PRC. Designed to provide industry-relevant and innovation-oriented skills, the project will enhance the employment prospects of women, and help them to participate in economic activities outside the home. The project will develop higher education institutions where female teachers and students will benefit from advanced learning facilities and new training opportunities, including for innovation and entrepreneurship. It will create direct employment for an estimated 151,522 people (42% women).

In support of a broader strategy to reduce the burden of unpaid domestic work by women, ADB is incorporating gender perspectives into its

infrastructure investments. For example, under ongoing work to reduce air pollution in the PRC, the bank committed a \$294.6 million results-based lending program to help residential and commercial customers in Henan province switch fuel use from coal to gas. Women are expected to benefit from time savings from the gas distribution pipelines and gas stoves that will be installed once the project is completed. The program pays particular attention to changing the traditional behaviors of women in townships and villages where they largely still use coal or firewood: it incorporates clean fuel awareness campaigns to communicate the benefits of gas for cooking and heating.



Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

Reducing pollution, restoring ecological protection, and encouraging sustainable livelihoods were ADB's environmental priorities in East Asia during 2020. ADB has remained committed to addressing climate change and disaster resilience in the PRC and Mongolia. Of the total number of projects committed in the region in 2020, 70% included climate mitigation or adaptation components (compared to 74% in 2019). Total climate financing amounted to \$924 million, from ADB's own resources.

As part of the Yangtze River Economic Belt Framework, ADB and the PRC signed investment projects that will enhance environmental sustainability and climate resilience, while improving living standards for people along the Yangtze River Basin. For instance, ADB committed \$101.4 million to help revive the Xin'an River, an independent river system in the Yangtze River Economic Belt Framework. As well as building river embankments to mitigate flooding, the project will upgrade sewage and stormwater management facilities in the municipality of Huangshan and four adjacent county areas, providing 95% of the urban population with access to wastewater treatment services.

As part of its private sector operations, ADB committed a CNY488 million nonsovereign loan to Citic Financial Leasing Co. Ltd to fund long-tenor leases of clean energy projects—a good financing solution for solar power equipment with a long operating life. The deal marks ADB's first nonsovereign loan to support clean energy development in the PRC through leasing. It builds on the bank's success in using leasing to support green transport in the country.

In Mongolia, ADB committed a \$100 million loan to help reduce air and other environmental pollution. The project will install 125 megawatts of advanced

battery energy storage—the first such system in Mongolia and among the largest battery storage systems globally. Resilient to Mongolia's cold climate and equipped to be charged entirely by renewable electricity, the system is expected to supply 44 gigawatt-hours of clean power annually, avoiding 842,039 tons of carbon dioxide emissions each year from 2025.



Making Cities More Livable

During 2020, ADB responded to the challenges of rapid urbanization in East Asia by helping to improve inefficient public transport systems, ensure access to clean water supply, and prevent flooding in urban areas by introducing integrated solutions that can be replicated in the region.

In the PRC, the bank signed a \$200 million sector development program (investment and policy loan) to help transform Xiangtan from a carbon-intensive, heavily polluting city to a low-carbon, resilient, smart, and livable city. The project will install medians and peak-hour bus priority lanes on more than 60 kilometers of urban roads, make bus stops safer, and provide digital bus information and improved walking and cycling facilities for seamless access. The program will benefit 100,000 residents (50% female and 2,000 low-income residents) and encourage behavior changes toward a lower-carbon lifestyle.

As part of its private sector operations, ADB signed an \$80 million loan with the Bank of Communications Financial Leasing Co. Ltd. to fund the lease of new-energy buses in the PRC. These buses, powered by batteries and fuel cells with zero direct emissions, will help promote sustainable public transport and reduce pollution and traffic congestion.

ADB also committed a loan facility of \$105.5 million in yuan equivalent to Shenzhen Water (Group) Co., Ltd. and Shenzhen Water and Environment Investment Group Co., Ltd. to promote climate and disaster-resilient smart urban water infrastructure. This supports the development of urban water infrastructure systems that replicate natural processes to soak up heavy rainfall and flooding and release stored water for reuse. It applies innovative smart solutions throughout the water value chain to reduce power consumption and water losses, improve operational efficiency, and enhance water quality. It will help deliver water sustainability and security, and transfer water management know-how from Shenzhen to third- and fourth-tier cities.

In Mongolia, ADB committed \$44.7 million for the third tranche of an investment program to

IN 2020, ADB'S COMMITMENTS IN THIS REGION WERE PRIMARILY IN THE FOLLOWING SECTORS:

17%

ENERGY

14%

AGRICULTURE, NATURAL RESOURCES, AND RURAL DEVELOPMENT

14%

FINANCE

13%

WATER AND OTHER URBAN INFRASTRUCTURE AND SERVICES

13%

TRANSPORT

improve urban services and *ger* area development in Ulaanbaatar. The investment, which is expected to benefit around 840,000 people, will help construct roads, flood protection channels, electricity cables, and water and sewerage pipelines. It will also improve schools, health-care centers, public spaces, and housing conditions.

ADB committed to administer a project, financed by a \$2 million grant from the JFPR, to pilot improved solid waste management and recycling in four secondary cities of Mongolia. The project will construct and install new landfills, build solid waste transfer stations and weighbridges, and remodel cargo containers into waste recycling shops.



Promoting Rural Development and Food Security

Agriculture has become a priority for growth in Mongolia, and ADB is helping accelerate economic diversification in the sector and create jobs. The bank committed a \$40 million loan, cofinanced by the JFPR, to install efficient and climate-resilient irrigation systems that will improve vegetable production across about 7,000 hectares of land. A total of 3,458 households involved in vegetable farming are expected to benefit from this investment.

To reinforce the vital wheat supply chain in Mongolia, ADB signed a nonsovereign loan of \$15 million with Ulaanbaatar Flour Limited Liability Company and Tavan Bogd Foods Limited Liability Company to provide liquidity support for the two companies. The ADB financing helped sustain the livelihoods of thousands of Mongolian wheat farmers, farming and wheat-processing workers, and staff in retail outlets.

In the PRC, ADB and Alibaba are preparing a joint study on the digitalization of food supply chains and waste management. A webinar on digitalization to strengthen food supply chains and reduce plastic and food waste gathered leading experts who

shared international experiences and discussed the importance of public-private partnerships and digital technologies in rural vitalization and food systems.



Strengthening Governance and Institutional Capacity

Good governance and strong institutions are key to ensuring financial stability and responding swiftly to socioeconomic shocks. ADB prioritizes institutional development and capacity building as a critical part of its support to the PRC and Mongolia. Approximately 67% of sovereign and nonsovereign projects committed in East Asia in 2020 included support for improved governance and institutional capacity.

In the PRC, ADB committed a \$206.6 million loan for green finance in Hebei province, one of the country's most polluted industrial regions. The loan will be provided to the Bank of Xingtai, a regional city commercial bank, to finance investments in areas such as biomass power generation, biofuel production, waste-to-energy initiatives, plastic replacement (e.g., biodegradable material production), green buildings, and environment-friendly upgrades to industrial production lines. The project will strengthen institutional capacity in green finance policy and risk management, and will serve as a business model for other cities and rural commercial banks in the PRC.



Fostering Regional Cooperation and Integration

ADB is supporting the [Central Asia Regional Economic Cooperation Program](#) corridor, which connects landlocked countries, including Mongolia, with markets in the rest of the world.

As part of a multitranche financing facility, ADB committed a loan of \$201.6 million under the first tranche to provide economic opportunities and improve living conditions for communities along the

ADB



An Eco-Compensation Policy Framework for the People's Republic of China
Challenges and Opportunities
Asian Development Bank

Advancing Green Development through Eco-Compensation

Through a series of landmark publications on eco-compensation, ADB has made a major contribution to an environmental project that will help clean up the Xin'an River in the PRC's Anhui province. These knowledge products have also showcased value-added ecological mechanisms and green financing practices to other provinces within the PRC as well as ADB developing member countries.



This ADB-supported waste-to-energy plant in Suzhou in the PRC has helped create better living conditions in the city. In 2020, the bank committed \$206.6 million to support waste-to-energy and other environmental initiatives in Hebei province.

border between the Inner Mongolia Autonomous Region in the PRC and Mongolia. The project will install a smart port management system in the Erenhot–Zamyn-Uud economic cooperation zone, build a customs supervision center at the Mandula port, and upgrade an international hospital in Erenhot. It is expected to provide employment and income opportunities for 2.95 million people in the Erenhot and Baotou municipalities of Mongolia.

To maximize cross-border synergy, ADB is complementing regional support with another project in Mongolia. In July, ADB committed a \$30.4 million loan to develop the Zamyn-Uud border port, between Mongolia and the PRC, as a free zone for economic cooperation. The project will establish a port-of-entry system in the free zone, allowing Mongolia to easily monitor, trace, and manage health-related risks in the movement of goods and people across the border.

KNOWLEDGE HIGHLIGHTS

ADB knowledge resources continued to contribute to policymaking, innovative project design, and the sharing of experiences between the PRC and Mongolia and with other regions.

Environment and water continue to be important areas covered by ADB's knowledge products, with publications discussing issues such as *Leveraging Private Sector Participation to Boost Environmental Protection in the People's Republic of China*, and

Achieving Sustainable Integrated Water Management in Mongolia. Blogs, case studies, and other knowledge products were also published on health, including the impacts of COVID-19.

Several knowledge products have also contributed to policymaking in the region. The Government of Mongolia is implementing recommendations of the ADB publication, *Winning the Fight Against Air Pollution in Ulaanbaatar*. An ADB brief shared [analysis](#) explaining the innovative leveraging mechanism used in the PRC in the Shandong Green Development Fund Project, which aims to catalyze private, institutional, and commercial capital to develop climate-positive infrastructure and business.

The [Regional Knowledge Sharing Initiative \(RKSI\)](#), coordinated by ADB and the PRC, organized 28 events with 14 partners in 2020, benefiting over 2,400 participants and covering a multitude of topics, albeit with a strong focus on COVID-19.

The RKSI and the Center for International Knowledge on Development organized a webinar series to share the PRC's COVID-19 lessons and experiences with other ADB developing member countries. This was attended by over 800 participants and livestreamed through a social media channel. In response to demand, the RKSI also produced informative videos on the PRC's Health Code and quarantine experiences, which have been widely shared.

CHAPTER 2: REGIONS

PACIFIC

The Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu

BY THE NUMBERS

\$1.2 B
COMMITTED

\$671 M
COVID-19
RESPONSE

\$1.2 B
DISBURSED

\$225 M
COFINANCED

The COVID-19 pandemic represents the most severe economic shock ever faced by the Pacific. While most of ADB's developing member countries (DMCs) in the region remained "COVID free" in 2020 through quick and decisive border closures, the socioeconomic impacts of the pandemic have been profound. Travel restrictions are estimated to have caused the Pacific economies to contract around 6% collectively in 2020. With virtually no visitor arrivals since April 2020, the heavily tourism-based economies of the Cook Islands, Fiji, Palau, and Vanuatu were hit particularly hard. Impacts on the smaller island and atoll economies, such as Kiribati and Tuvalu, were felt mostly through delays in infrastructure construction and disruptions to fishery activities, including the transshipment of tuna caught by foreign fishing vessels. For the Pacific's larger resource-based economies—Papua New Guinea (PNG) and Solomon Islands—the effects of COVID-19 restrictions were experienced mostly in trade, with subdued agriculture and mineral exports.

Pacific governments responded with expenditure packages totaling \$2.6 billion (or 7.5% of regional gross domestic product), which included targeted support for impacted business and those who had lost jobs, and for strengthening health systems in readiness for COVID-19. ADB committed a total of \$1.2 billion for 34 sovereign projects and 39 technical assistance projects in the Pacific in 2020, up by 150% from 2019.

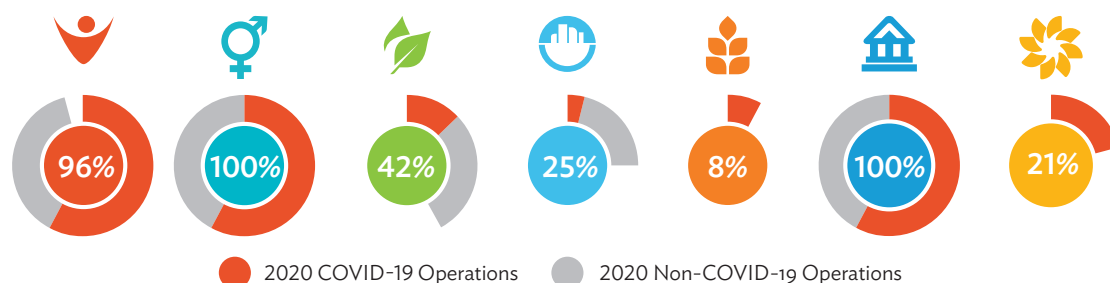
Of the overall commitment for the Pacific, 58% of financing supported pandemic response—primarily through use of the COVID-19 Pandemic Response Option, amounting to \$378 million for eight DMCs.

Strong development partner coordination on COVID-19 response has ensured clear alignment with government priorities and avoided duplication. Immediate priorities across the Pacific were for medical supplies and equipment (including personal protective equipment, test kits, and ventilators) as well as for cash support to allow government expenditure in areas such as managing border closures and quarantine facilities.

In 2020, ADB quickly disbursed preexisting contingent disaster financing for the Cook Islands, the Federated States of Micronesia (FSM), the Marshall Islands, Palau, Samoa, Solomon Islands, and Tonga to support early COVID-19 response measures. The bank also provided \$27.3 million in technical assistance and \$18.5 million in grants from the Asia Pacific Disaster Response Fund to the 14 Pacific DMCs for pandemic response and recovery.

ADB supported Pacific governments in delivering COVID-19 response measures such as payments to retain employees in impacted businesses, payments to the unemployed, and initiatives to promote agriculture and ensure that vulnerable households

Percentage of ADB's Committed Operations in the Pacific Supporting Each Strategy 2030 Priority



Note: Excludes technical assistance grants and revolving programs. Shares sum to more than 100%. Reflecting the more integrated approach to development challenges outlined in Strategy 2030, most new ADB operations address multiple operational priorities.



Dancers perform at a cultural presentation in Rarotonga, Cook Islands. An ADB loan is helping finance the government's economic response plan, which includes employment support payments to assist tourism workers.

have access to food. Other COVID-19-related assistance included technical assistance to strengthen social protection; establishment of a COVID-19 gender working group in Fiji; and projects promoting access to clean water and sanitation, and improved hygiene practices.

STRATEGIC FOCUS



Addressing Remaining Poverty and Reducing Inequalities

ADB pays specific attention to addressing poverty and promoting equitable and inclusive growth in the Pacific. About one in four Pacific islanders lives below national poverty lines, with inequality particularly evident in remote rural communities where there is limited access to social services and job opportunities.

ADB financing for support programs to counter the pandemic focused on poor and vulnerable households.



BUTTRESSING TOURISM IN THE COOK ISLANDS

For small tourism-dependent economies such as the Cook Islands, the decision to close borders to protect the population from COVID-19 was an agonizing one.

With tourism-related jobs accounting for around one third of all employment in the country, the collapse in visitor arrivals has had a devastating effect on the Cook Islands' economy.

Although the border closed in March 2020, the economy contracted by 5.9% in the fiscal year (FY) that ended just 3 months later in June. It is expected to fall by 15.4% in FY2021. As well as providing over \$10 million for the country's immediate medical and health system needs, ADB committed a \$20 million countercyclical loan to help alleviate the social and economic impacts of the pandemic.

The loan is helping finance the government's economic response plan, which, among other health care and social protection initiatives, includes employment support payments to assist tourism workers, one-off cash payments for struggling families, interest and credit relief for households and businesses, and grants for enterprises most impacted by the pandemic.

EXPANDING MICROFINANCE IN PAPUA NEW GUINEA



A finance expert provides training for villagers in the Central Province. ADB's microfinance expansion project provided training in financial literacy and business development.

Over a decade ago, ADB and the Government of Papua New Guinea (PNG) identified the need to develop the country's microfinance sector. The initiative was seen as a way to generate economic growth led by the private sector and to encourage women to participate in financial and business activities.

More than 10 years on, the now-completed microfinance expansion project—conducted at an estimated cost of \$27.1 million and cofinanced by the governments of PNG and Australia—has delivered extraordinary results.

Through the project, over 217,000 people (47% women) were trained in financial literacy. An additional 17,500 (58% women) were trained in business development skills—equating to more than 10,000 women in PNG who are now better equipped to start and expand their own micro and small enterprises.

Over the course of the project, partner financial institutions recorded an additional 330,000 deposit accounts and many of these were opened by women who previously lacked financial independence.

The project also included a financing facility to foster bank lending to micro and small enterprises. Under this facility, more than 2,000 loans were made totaling around \$10 million and 65% of these loans went to women clients.

These programs address COVID-19 impacts that could otherwise have long-term effects on the lives of poor and disadvantaged groups, including higher health risks and malnutrition, widened learning gaps among schoolchildren, loss of income, and increased indebtedness.

ADB also committed a regional technical assistance project to strengthen social protection in the Pacific. This project not only responds to COVID-19 impacts, but will explore longer-term sustainable approaches to reducing poverty and inequality and achieving higher levels of economic and social well-being. It is designed to expand social protection systems, focusing on social insurance, social assistance, and active labor market programs. Through the project, ADB will also give priority assistance to Pacific DMCs in responding to climate- and disaster-related shocks.



Accelerating Progress in Gender Equality

While significant progress has been made, gender inequality continues to be a pervasive issue in the Pacific. ADB promoted gender equality in 89% of its number of committed projects in the Pacific during 2018–2020, up from 77% during 2017–2019. In 2020 alone, 96% of ADB's projects in the Pacific included strong gender mainstreaming activities. This reflects ADB's continuous efforts to prioritize gender considerations in its project and program designs, including pandemic-response measures, and across all sectors.

ADB committed a \$9.6 million grant to Vanuatu to improve urban resilience in Greater Port Vila, setting up multipurpose emergency shelters to meet the needs of women and girls. Innovative design of the shelters will encourage their use outside of emergency situations for inclusive economic activities, community meetings, and gender-sensitive post-disaster response. The project incorporates measures to ensure the meaningful participation of women in leadership and decision-making and addresses gender-based violence with public awareness campaigns and improved referral pathways.



Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

Vulnerability to the effects of climate change, environmental degradation, and natural hazards are major drivers of fragility in the Pacific. Despite the shift in focus brought by COVID-19, ADB has remained committed to addressing climate change

and disaster resilience in the region. Of the total number of projects committed in the Pacific in 2020, 38% included climate mitigation or adaptation components. This was a smaller percentage than 2019's 56% because of the large quantity of financing to tackle direct COVID-19 impacts. In dollar terms, however, climate financing for the region increased to \$53 million from ADB's own resources, above the targeted \$49 million.

Under the Pacific Renewable Energy Investment Facility, ADB is installing climate-resilient solar photovoltaic and battery energy storage systems in Kiribati. It is also building the government's capacity to expand access to clean energy, improve the quality and reliability of service, reduce greenhouse gas emissions and reliance on fossil fuels, reduce the cost of power generation, and improve the capacity of energy sector stakeholders.

A knowledge and support technical assistance initiative is helping ADB to scale up its investment in climate change adaptation in all 14 Pacific DMCs. The project will increase access to geospatial climate and disaster risk information and will support assessments to model future climate change impacts and geophysical risks. This will inform strategic decision-making for long-term adaptation and resilience. The regional project will also help strengthen the knowledge, skills, and practices of government agencies that have responsibility for climate change and disaster risk management through knowledge sharing and policy dialogues. It will support project development to ensure climate change adaptation opportunities are exploited.

In 2020, ADB disbursed \$3 million in grants from ongoing contingent disaster financing to help fund Tuvalu's priority recovery activities following the onslaught of Tropical Cyclone Tino in January of that year. The bank also responded to the widespread destruction in the region brought by Tropical Cyclone Harold in April. ADB provided grants totaling \$1.6 million to Fiji, Tonga, and Vanuatu to relieve strain on government resources and provide immediate humanitarian aid such as medical kits, food, transitional shelter, personal hygiene kits, and site-clearing activities.

Under Phase 3 of the Pacific Disaster Resilience Program, ADB is providing \$74 million in contingent disaster financing to the Cook Islands, the FSM, Kiribati, the Marshall Islands, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Aside from disasters triggered by natural hazards, Phase 3 has been expanded to encompass health-related emergencies, so that the program can now provide a timely and predictable source of rapidly disbursed financing to distressed governments in the wake

of events such as earthquakes, cyclones, or viral outbreaks.

In Samoa, ADB committed \$40 million in grant assistance to upgrade 20 kilometers of roadway that provides access to eight villages and the capital, Apia. The project includes climate resilience features such as drainage designed for increased rainfall intensity and resilient surfacing. This cross-island road will serve as an alternate route for evacuation of communities and provision of emergency assistance.

In Palau, ADB prepared a \$3 million financial intermediation grant to expand access to affordable clean-energy financing for low-income earners and women borrowers. The grant will help Palau's Ministry of Finance create the Disaster Resilient Clean Energy Financing Facility, and the funds will be on-lent by the National Development Bank of Palau.

As part of its healthy oceans initiative, ADB committed \$6.5 million in 2020 for the Marshall Islands to improve the coverage and sustainability of integrated solid waste management service delivery in Ebeye. The project is expected to deliver significant positive environmental outcomes, including improvements in nearby marine waters, reduced stormwater runoff, and reduced landfill waste.



Making Cities More Livable

Urban areas in the Pacific are experiencing rapid and often poorly planned growth as a result of internal migration and natural population increases.

In Kiribati, the Marshall Islands, the FSM, and Tuvalu, ADB provided assistance totaling \$44.3 million to develop an integrated approach to the provision of water, sanitation, solid waste disposal, and other urban infrastructure. A focus of these projects is to ensure inclusive and equitable access to such services for poor and vulnerable urban communities.

ADB is also helping these governments plan, design, and construct more resilient urban infrastructure projects. These initiatives will continue to strengthen institutional capacities to better plan, regulate, and manage urban assets and services.



Promoting Rural Development and Food Security

Living standards in rural areas and outer-island communities in the Pacific are significantly lower than the national averages.

IN 2020, ADB'S COMMITMENTS IN THIS REGION WERE PRIMARILY IN THE FOLLOWING SECTORS:

55%

PUBLIC SECTOR MANAGEMENT

19%

HEALTH

9%

FINANCE

8%

TRANSPORT

5%

WATER AND OTHER URBAN INFRASTRUCTURE AND SERVICES

In 2020, ADB financed projects to help develop rural communities and food security, mainly through initiatives in the transport sector.

In PNG, ADB committed a \$31 million loan that will finance preparatory and due-diligence activities for subsequent projects to improve roads, bridges, and (potentially) ports across the country, with a focus on the country's northern corridor and highlands region. These projects will improve accessibility within the provinces, strengthening transport and trade in agricultural and mineral products, while also increasing delivery of social services, including education and health, to rural communities.

In Samoa, ADB and its partner bank helped farmers export their produce with trade finance for nine transactions. This enabled them to export coconuts, cocoa beans, and taro to New Zealand, Hawaii, Australia, and Japan. ADB also established a trade finance banking partnership in PNG.



Strengthening Governance and Institutional Capacity

ADB prioritizes institutional development and capacity building as a critical part of its support to DMCs in the Pacific. All ADB projects committed for the region in 2020 included support for improved governance and institutional capacity.

With large financing gaps due to revenue shortfalls and additional spending to respond to the economic and social impacts of COVID-19, public debt in the Pacific is projected to rise sharply in the near term. ADB is working with Pacific DMCs to improve debt management and support domestic resource mobilization.

Through \$378 million disbursed to eight Pacific governments, ADB is shoring up critical public expenditure on strengthening health systems, providing social assistance to compensate unemployed workers for economic losses, and delivering economic relief for affected businesses.

To complement assistance to PNG, ADB committed \$150 million for a health sector development program that enables the government to protect core funding for essential health and other basic services, while adequately resourcing immediate COVID-19 responses.

In PNG, ADB committed a program loan of \$100 million to improve the performance and financial sustainability of the country's state-owned enterprises and help them deliver better services. For Fiji, the bank committed a program loan of \$200 million to support government efforts to strengthen public financial management and improve the business environment.

ADB also supported the strengthening of macroeconomic resilience in Tonga by addressing structural fiscal deficiencies and public financial management risks. This grant is also improving Tonga's public sector and national human resource management to limit the immediate labor market impacts of COVID-19 and encourage long-term growth.

For Nauru, ADB provided a \$5 million program grant as part of ongoing assistance to strengthen the government's public investment management and fiscal sustainability, which are critical for effective service delivery and inclusive growth.



Fostering Regional Cooperation and Integration

Regional cooperation is essential to addressing many of the challenges faced by Pacific island countries: remoteness, small economic capacity, and vulnerability to natural hazards and climate change. To foster this cooperation, ADB engages with several intergovernmental regional platforms, including the [Pacific Islands Forum](#), the Secretariat of the Pacific Regional Environment Programme, and the [Pacific Community's Atoll Adaptation Dialogue](#).

Jointly with relevant United Nations agencies, ADB organized virtual roundtable meetings with Pacific



Boosting Support for Sustainable Recovery in Papua New Guinea

ADB endorsed a new 2021–2025 [country partnership strategy](#) for PNG, a country economically battered by the COVID-19 pandemic. Operations in PNG will be significantly scaled up, with an additional \$1 billion in support earmarked for 2021–2023. ADB will underpin recovery efforts by investing in transport and energy infrastructure and improving public sector management, technical education, social protection, and private sector participation.



Residents of Fiji queue at an ATM. The socioeconomic impacts of the pandemic for ADB's developing member countries in the Pacific have been profound.

governments and discussed how to safely restart international travel and tourism for economic recovery. Based on these discussions, ADB started technical assistance to help governments and industries prepare for the reopening of borders.

Many of ADB's technical assistance programs providing support to the Pacific in 2020 were regional in coverage and promoted knowledge sharing among Pacific DMCs. The [Pacific Region Infrastructure Facility](#) produced a regional assessment of the aviation sector, recommending a range of efficiency gains. The Pacific Economic Management Program organized a webinar on prospects for COVID-19 vaccine delivery in the Pacific and how regional cooperation channels can be leveraged to strengthen vaccine access and surveillance systems. The [Pacific Private Sector Development Initiative](#) undertook regional benchmarking studies analyzing foreign direct investment, women in business leadership, and tourism, to inform future work programs and regional policymaking. Each of these initiatives addresses shared challenges and identifies solutions anchored on regional cooperation and its benefits.

During 2020, ADB also prepared a \$65 million facility to provide liquidity support for Fiji Airways, which provides crucial transport links in the South Pacific. The airline plays an important role in freight, health, education, and communication services as well as tourism, which accounts for about a third of Fiji's GDP. ADB's financing will help fund Fiji Airways through the COVID-19 crisis.

KNOWLEDGE HIGHLIGHTS

In 2020, ADB launched the Pacific Utilities CEOs Talk, a new policy forum where CEOs of government utilities in the region share insights on corporate reforms, sustainability, and the changing role of the state in managing public utilities. ADB convened the inaugural meeting in June to discuss strategies, experiences, and lessons learned in addressing COVID-19 and recovery responses to the pandemic. In November, the second forum was held to gain a better understanding of the challenges of unlocking private finance for renewable energy investment in the region, overcoming risks, and exploring possible options that could guide the delivery of support from the international development community.

ADB's *Pacific Economic Monitor* assessed ongoing impacts of the COVID-19 pandemic on Pacific economies and presented policy options to support a quick recovery.

In November, ADB published [Smart Ports in the Pacific](#) to foster dialogue among governments and development partners on how to leverage advanced technology in maritime ports to support trade, build climate resilience, and drive more sustainable and inclusive economic growth across the region. It explores options to enable Pacific ports to adopt smart port concepts incrementally, through adaptation of international best practices to the Pacific context of relatively small trade volumes, geographic isolation, and vulnerability to extreme weather events.

CHAPTER 2: REGIONS

SOUTH ASIA

Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka

BY THE
NUMBERS\$9.0 B
COMMITTED\$4.0 B
COVID-19
RESPONSE\$6.8 B
DISBURSED\$4.4 B
COFINANCED

The economies of South Asia struggled during 2020 as COVID-19 spread throughout the region, deeply affecting lives and livelihoods. Strict lockdowns disrupted economic activities, supply chains, and external demand. Countries that rely on international tourism, such as [Maldives](#), [Nepal](#), and [Sri Lanka](#), were particularly hard hit by border closures.

Countries in South Asia quickly initiated emergency measures augmenting health-care systems, while providing immediate relief through social protection systems to help guarantee food, housing, energy, and jobs to affected people, particularly the poor and vulnerable. South Asian countries announced policy packages totaling \$428.5 billion or 12.7% of regional gross domestic product.

Including technical assistance, ADB committed a total of \$9.0 billion for the South Asia region in 2020, up by 24% from 2019. Sovereign financing was complemented by \$479.4 million support for 11 nonsovereign projects for companies in the finance, energy, and agriculture sectors, particularly in [India](#) and [Bangladesh](#), and \$1.3 billion across three nonsovereign programs. Through its support for the private sector in South Asia, ADB ensures that projects deliver on development goals while promoting environmental sustainability, social protection, and good governance.

ADB's COVID-19 response in South Asia amounted to around 44% of its commitments in the region in 2020. Initially, technical assistance and [Asia Pacific Disaster Response Fund](#) grants supported emergency procurement of medical supplies and personal protective equipment. ADB's COVID-19 Active Response and Expenditure Support (CARES) Program and emergency assistance loans totaling \$2.4 billion followed.

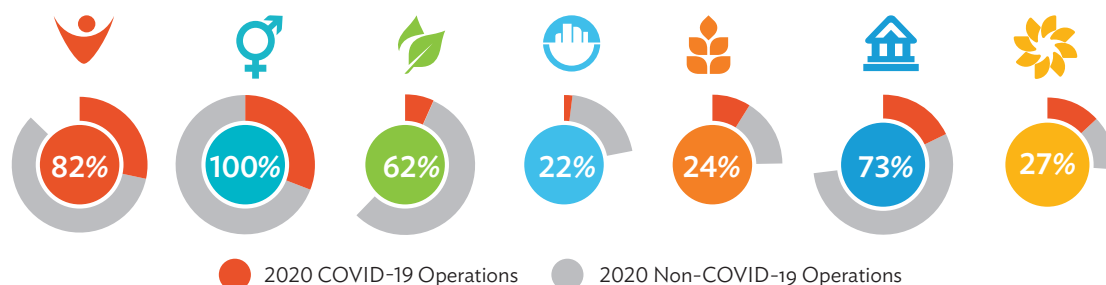
STRATEGIC FOCUS

Addressing Remaining Poverty
and Reducing Inequalities

In South Asia, ADB addresses poverty and inequality through operations in agriculture and natural resources, human development, and strengthening micro, small, and medium-sized enterprises (MSMEs). The bank is also progressively increasing assistance for education and skills development.

In [Bhutan](#), 62% of the population lives in rural areas where agriculture is the primary source of livelihoods. ADB is therefore supporting a rural finance development project through a \$20 million concessional loan and \$1 million in technical assistance to enhance access to finance for cottage

Percentage of ADB's Committed Operations in South Asia Supporting Each Strategy 2030 Priority



Note: Excludes technical assistance grants and revolving programs. Shares sum to more than 100%. Reflecting the more integrated approach to development challenges outlined in Strategy 2030, most new ADB operations address multiple operational priorities.



Sri Lankan health workers carry out COVID-19 testing in Colombo.

and small industries, increasing rural jobs and promoting economic development.

ADB also committed \$30 million for a program to develop financial markets in Bhutan. Using a policy-based loan to support the government's institutional reforms, the program will assist economic diversification and improve financial inclusion in the country.

ADB committed a \$1.5 billion CARES Program loan for India to support health initiatives and fund social protection for more than 800 million people, including families below the poverty line, women, senior citizens, people with disabilities, and low-wage earners, among others. The bank also supported India in strengthening the resilience of urban primary health systems for essential services as well as pandemic responses.

In Maldives, ADB financed the establishment of COVID-19 testing facilities in five regional hospitals, doubled testing capacity to 800 per day, and provided 400 isolation beds. The program also supported government social protection and



BOOSTING TESTING CAPACITY IN SRI LANKA

Despite Sri Lanka's well-established health system, the country was in urgent need of increasing its diagnostic capacity to detect COVID-19 infections.

ADB responded without delay by providing the necessary funds to establish a new molecular polymerase chain reaction (PCR) laboratory at the Colombo East Base Hospital.

An empty site on the hospital premises soon became a hive of activity as teams worked tirelessly to construct the building and install utility services. This work was complemented by construction of an improved access road and installation of a dedicated power line to the laboratory.

On 24 June 2020, Sri Lanka's Ministry of Health and Indigenous Medical Services officially opened the PCR laboratory. It is equipped with PCR machines, consumables, pharmacological refrigerators and freezers, generators, reagents, and dedicated utilities, and is staffed with the necessary operational support. The new laboratory has enhanced the COVID-19 diagnostic capacity of Sri Lanka by 500 tests per day on a 12-hour shift and 1,000 tests on a 24-hour shift. It has also improved the quality of care, while ensuring the safety of laboratory and health staff who handle patients' samples from the Colombo East Base Hospital and hospitals in other parts of the country.

BUILDING BACK BETTER IN NEPAL



Students at Naag Kanya School in Nepal, one of 162 earthquake-damaged schools rebuilt with upgraded, disaster-resilient facilities through the assistance of ADB and development partners.

When a 7.8 magnitude earthquake hit Nepal in April of 2015, the scale of the destruction was heartbreaking. Among the widespread devastation, which included the loss of nearly 500,000 homes, close to 30,000 classrooms were destroyed or damaged.

“We were concerned that a generation of students would drop out of school,” said Naresh Giri, a senior project officer with ADB.

More than 5 years on, and thanks in part to ADB investment in earthquake assistance and disaster reconstruction, over 60,000 Nepalese students are now learning in modern, earthquake-safe schools and are better prepared for future disasters.

By 2020, a total of 162 reconstructed schools, including eight schools funded by the Japan Fund for Poverty Reduction, had been handed over to their school management committees. All schools have been reconstructed following strict building standards and specifications, feature the latest educational amenities, and are well-equipped to assist people with disabilities.

The reconstruction project was jointly financed by ADB, the Japan Fund for Poverty Reduction, the United States Agency for International Development, and the Government of Nepal.

economic assistance measures by providing safe accommodation for migrant workers and survivors of gender-based violence, cash assistance and income support for the poor and vulnerable, and working capital support for affected businesses.



Accelerating Progress in Gender Equality

ADB continues to scale up support for gender equality and social inclusion (GESI) in South Asia. ADB promoted gender equality in 95% of its number of committed projects in South Asia during 2018–2020, up from 89% during 2017–2019.

ADB committed \$2.2 million for a regional transaction technical assistance facility to better integrate GESI in project design and implementation in its operations in the region. The facility will also strengthen the gender-equality capacities of executing and implementing agencies.

In Bangladesh, ADB committed \$50 million in additional financing to a microenterprise development project that will scale up gender-inclusive finance for microenterprises severely impacted by the COVID-19 pandemic. The project will provide loans to an additional 30,000 microenterprises, 70% of which are led by women.

ADB also committed technical assistance of \$1 million to assess policy and regulatory frameworks to generate climate-related employment in the country’s Chittagong Hill Tracts watershed area. Women will select the location of water projects, while households headed by women will be targeted for job opportunities in the construction and operation of infrastructure subprojects.

In India, ADB committed a nonsovereign loan of \$60 million in Indian rupee equivalent to Aavas Financiers Limited to improve access to housing finance for lower-income borrowers, including 110,000 women.



Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

Despite the shift in focus brought by COVID-19, ADB has remained committed to addressing climate change and disaster resilience in South Asia. Of the total number of projects committed in South Asia in 2020, 58% included climate mitigation or adaptation components (compared to 63% in 2019). Total climate financing amounted to \$1.7 billion, from ADB’s own resources.

In India, ADB continues to make private sector investments in the country's solar power industry. The bank committed a long-term loan of \$62.41 million to the ENGIE group for construction and operation of a 200-megawatt solar power plant at Raghnesda Solar Park in the western state of Gujarat. The power plant is expected to generate about 440 gigawatt-hours of electricity annually and help avoid nearly 385,000 tons of carbon dioxide emissions a year.

ADB also provided \$7.5 million from its ordinary capital resources and \$7.5 million from the Leading Asia's Private Infrastructure Fund for Avaada Energy Private Limited (AEPL). This follows a \$50 million ADB investment in the company in 2019. AEPL is a leading developer of solar energy projects in India through utility scale, rooftop, and off-grid solar facilities.

In Nepal, ADB is helping modernize the country's electricity grid to advance sustainable growth. The bank committed \$156 million to automate existing grid substations and install new ones, construct new transmission lines, and install smart meters for 350,000 electricity consumers in the Kathmandu Valley. The project will reduce greenhouse gas emissions by an estimated 34,716 tons of carbon dioxide per year by reducing losses and providing new connections with clean energy sources.

Through a further \$50 million commitment from ADB, Nepal will introduce flood control infrastructure and flood forecasting systems to protect valuable agricultural land in prioritized river basins in the Terai region.

In Maldives, a waste-to-energy project will construct a solid waste treatment facility with ADB providing \$73 million in loans and grants. The project will build a facility that can process 500 tons of waste every day and recover 8 megawatts of surplus energy.



Making Cities More Livable

ADB operations in South Asia prioritized financing projects to improve water security, urban mobility, and environment and disaster risk management to make cities more livable.

ADB is supporting a modern rapid transport system in India with a \$500 million loan. The project, through ADB's technical assistance and knowledge advice, will support systematic land-use planning and promote vertical and dense development of urban buildings, along with municipal resource mobilization, to create an efficient and clean urban environment.

ADB also provided a \$100 million loan to India for a smart energy project that will make cities more livable by converting overhead distribution lines to underground cables.

Through a township development project in Phuentsholing in southern Bhutan, ADB is helping develop 66 hectares of new urban land to enable sustainable expansion of human settlements and commercial activities. The bank committed \$28.5 million of additional financing in 2020 to continue funding flood and erosion protection and smart urban infrastructure.

ADB's regional technical support initiative for COVID-19 prevention and control, which includes Bangladesh, Nepal, and Sri Lanka among the pilot countries, underscores the need for an integrated approach to water, hygiene, and health management. A \$2 million grant from the Japan Fund for Poverty Reduction will promote WASH+H awareness (water, sanitation, hygiene, and health) to respond to COVID-19 and prepare for other sanitation-related public health emergencies.



Promoting Rural Development and Food Security

ADB work in South Asia to advance rural prosperity and food security includes improving roads and electricity supply and financing and supporting agriculture enterprise.

In Bangladesh, ADB committed \$100 million in additional financing to build approximately 930 kilometers of rural roads. The project will improve the efficiency of the transport system and create jobs in target areas.

ADB committed \$300 million financing for a power distribution improvement project in India to promote economic development in rural Uttar Pradesh. By building separate feeders for electricity supply to agriculture and residential consumers, the project will improve rationing of unmetered power, strengthen financial management of the state power distribution agency, and improve bill collection in rural areas.

In Sri Lanka, ADB committed \$165 million for a line of credit to provide affordable working capital loans to MSMEs affected by COVID-19. It will also provide long-term financing to around 6,000 MSMEs, including women-led businesses and tea smallholders to support their transformation toward a "new normal."

**IN 2020, ADB'S
COMMITMENTS
IN THIS REGION
WERE PRIMARILY
IN THE FOLLOWING
SECTORS:**

22%

ENERGY

20%

PUBLIC SECTOR
MANAGEMENT

15%

TRANSPORT

14%

FINANCE

9%

WATER AND
OTHER URBAN
INFRASTRUCTURE
AND SERVICES



Strengthening Governance and Institutional Capacity

Strengthening governance and institutional capacity is a high priority in South Asia. Approximately 73% of sovereign and nonsovereign projects committed for the region in 2020 included support for improved governance and institutional capacity.

In India, a \$50 million program to support public financial management reforms in West Bengal will strengthen procedures and operational efficiencies to generate fiscal savings, support informed decision-making, and enhance service delivery.

ADB's Capacity Development Resource Center also supported India's Integrated Government Online Training scheme to provide online COVID-19 training to civil servants. The center helped develop a series of critical e-learning modules in multiple Indian languages. The modules, which have attracted almost 2 million participants, tackle clinical management, intensive care and ventilation management, infection prevention and control, use of personal protective equipment, quarantine and isolation, and more.

In Nepal, ADB committed \$50 million for improvements to civil aviation. The project will help restructure the Civil Aviation Authority of Nepal and strengthen its oversight functions, management accountability, and operational efficiency.



Fostering Regional Cooperation and Integration

ADB helped enhance regional connectivity in transport, energy, and trade facilitation in South Asia in 2020. It also helped strengthen subregional initiatives through the [South Asia Subregional Economic Cooperation \(SASEC\)](#) program, the [Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation](#), and the [South Asian Association for Regional Cooperation](#).

ADB continued its support for the SASEC road corridor in Dhaka-Northwest in Bangladesh, committing \$406.1 million in loans to strengthen trade. The Government of Bangladesh provided complementary financing of \$99.6 million.

Under a SASEC program supporting intraregional power trade, ADB committed \$200 million to Nepal to upgrade substations in Khimti, Barhabise, and Lapsipedi, which will facilitate cross-border power exchanges between Nepal and India.

ADB also committed a \$150 million concessional loan to improve the safety and capacity of Tribhuvan International Airport and Gautam Buddha Airport in Nepal. The project aims to help revive the country's tourism industry and address the long-term economic effects of the COVID-19 pandemic.

KNOWLEDGE HIGHLIGHTS

During 2020, ADB published a study on India's Northeast Economic Corridor, providing strategic direction for the landlocked states of the country's northeastern region. The study covers issues around transport, urban development, power and trade facilitation infrastructure, regulations and policies, and focus industries to help address the gap between the region's significant economic potential and its current underdeveloped status.

ADB also released a [working paper](#) that looked at how India's Pradhan Mantri Garib Kalyan Yojana road connectivity plan has used upcycled plastic waste in constructing rural roads to address issues of cost and technological readiness.

A working paper highlighted lessons from Nepal and other countries on managing urban growth through land pooling. This technique enables landowners and government to share the costs and benefits of urban development and may also



Supporting Maldives' Short- and Long-Term Development

In October, ADB endorsed a [new 5-year country partnership strategy for Maldives](#), in line with priorities in the Government of Maldives' Strategic Action Plan 2019–2023 and with ADB's Strategy 2030. The strategy aims to enhance public sector efficiency and diversify the country's economic base while ensuring environmental sustainability through investments in cleaner energy. It will also support Maldives in responding to COVID-19.



Children in India study by the light of off-grid solar power. ADB made further private sector investments in India's solar power industry, including support to Avaada Energy Private Limited, which provides off-grid solar facilities, and \$65.5 million to the ENGIE group for a new 200-megawatt solar power plant in Gujarat.

attract private capital to invest in the land created. The paper discusses how Nepal could successfully scale up land pooling to support cost-effective, equitable, and sustainable urban planning and investments.

Building on its experience in skills demand analysis, ADB published a real-time [assessment](#) of COVID-19's impact on job postings in Bangladesh and Sri Lanka. The study analyzed data from the largest online employment portals in the two countries, where job postings largely declined after the COVID-19 outbreak. Continuous monitoring of online employment indicators has helped understand the impacts of lockdowns and resumption of economic activities.

ADB published a brief on Sri Lanka's higher education institutions to present issues and challenges of the rapid shift to online learning during the pandemic. Drawing on comprehensive online surveys, [the publication](#) detailed the status of higher education since the university closures and outlined the remarkable transition to online tertiary education.

In 2020, the SASEC program published an update of its operational plan for 2016–2025. The [updated plan](#) identified 111 proposed projects requiring about \$58.7 billion in development assistance. These include economic corridors that would advance multimodal connectivity, energy market development, and increased intraregional and interregional trade.

CHAPTER 2: REGIONS

SOUTHEAST ASIA

Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Thailand, Timor-Leste, Viet Nam

BY THE NUMBERS

\$11.6 B
COMMITTED

\$7.0 B
COVID-19
RESPONSE

\$8.3 B
DISBURSED

\$6.9 B
COFINANCED

The COVID-19 pandemic hurt most of the economies of Southeast Asia in 2020 as economic activities wound down given closed borders and restrictions on internal mobility. Some countries succeeded in preventing the transmission of COVID-19 and economic activities gradually resumed, while others grappled with controlling the spread of the disease. Governments in Southeast Asia rolled out economic packages totaling \$412.3 billion (13.2% of gross domestic product) to support businesses and vulnerable sections of the population.

The economies of [Malaysia](#), the [Philippines](#), [Thailand](#), and [Timor-Leste](#) were hit particularly hard in 2020. Those of [Cambodia](#), [Indonesia](#), and the [Lao People's Democratic Republic](#) (Lao PDR) contracted by somewhat less, while the Myanmar and Viet Nam economies eked out some gains.

Including technical assistance, ADB committed a total of \$11.6 billion for sovereign and nonsovereign projects in Southeast Asia in 2020, up 62% from 2019. Of the sovereign projects for Southeast Asia, 60% of financing supported pandemic response—primarily through use of the COVID-19 Pandemic Response Option, amounting to \$5.0 billion for five developing member countries (DMCs).

ADB focused pandemic assistance on supporting health-care systems to help save lives, providing

relief for the poorest and most vulnerable suffering dire economic hardship, and addressing the devastating impacts of COVID-19 on businesses and economies. To provide governments with guidance on their economic stimulus policies and programs, ADB prepared COVID-19 response assessments for individual DMCs, with a focus on measures to support post-pandemic recovery.

ADB's support for pandemic response in the social sector included rapid reprogramming of funds under a [Greater Mekong Subregion](#) (GMS) health security project in February 2020 to help provide essential medical equipment.

The bank also committed \$1.2 billion in sovereign and \$94 million in nonsovereign operations to develop energy infrastructure that will help provide Southeast Asia with environmentally sustainable, equitable, and reliable access to electricity.

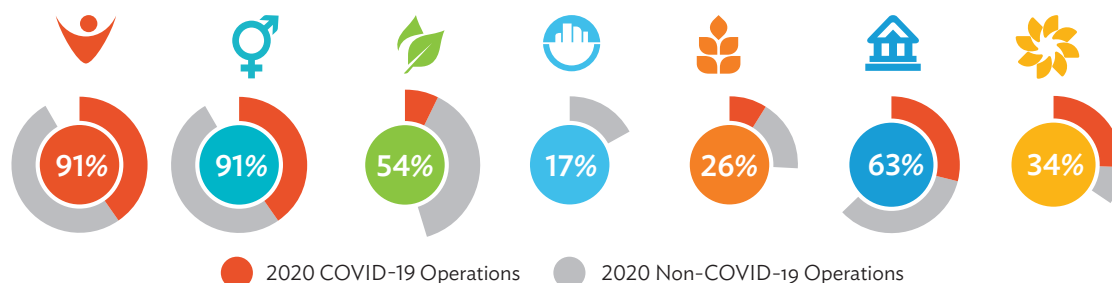
STRATEGIC FOCUS



Addressing Remaining Poverty and Reducing Inequalities

ADB is helping its DMCs in Southeast Asia to weather COVID-19 impacts that threaten to wipe out gains achieved in reducing poverty and tackling

Percentage of ADB's Committed Operations in Southeast Asia Supporting Each Strategy 2030 Priority



Note: Excludes technical assistance grants and revolving programs. Shares sum to more than 100%. Reflecting the more integrated approach to development challenges outlined in Strategy 2030, most new ADB operations address multiple operational priorities.



A worker disinfects bus seats in Metro Manila, Philippines. Travel restrictions during quarantine left many people lacking income, and ADB helped provide emergency assistance.

inequality. Until it is brought under control, the pandemic is likely to worsen the region's existing inequalities, given its disproportionate impact on poor communities and other vulnerable groups.

In the Philippines, ADB committed \$1.5 billion toward government COVID-19 response programs, including those increasing funding for social protection, providing assistance to small businesses, and expanding health measures to stop the spread of the pandemic. ADB also provided \$125 million to build two new laboratories and provide new laboratory equipment to 12 hospitals, boosting the country's COVID-19 testing capacity by at least 11,000 per day. This support enabled the provision of personal protective equipment to medical frontliners, ventilators to nearly 100 hospitals, and other equipment to improve the diagnosis of COVID-19 cases. The bank committed \$500 million to fund part of the conditional cash transfers under the Government of the Philippines' *Pantawid Pamilyang Pilipino Program* (4Ps). The program aims to reach at least 4.25 million poor households to improve the health and education of children.



PROTECTING THE POOR IN THE PHILIPPINES

When the COVID-19 community quarantine began in the Philippines, many people were left unable to work and without the means to buy food and other basic necessities.

ADB contributed \$5 million toward the *Bayan Bayanihan*, a food program based on the traditional Filipino principle of community spirit. As part of this collaborative program, ADB partnered with a range of Philippine government agencies and with the private sector.

The program supported the provision of emergency supplies to some of the poorest and most vulnerable communities in Metro Manila and the broader Luzon area: some 174,000 households received assistance and about 870,000 people benefited.

To expedite aid delivery during a period of restricted travel, ADB directly purchased goods rather than using cash transfer methods. The bank worked closely with its government agency partners to identify target beneficiaries and manage distribution chains.

The program had a strong focus on the poor and marginalized, including people with disabilities and the elderly, as well as daily wage earners in the informal labor market.

Aleli Mantequilla, a 39-year-old whose young son lives with a disability, said the food packs allowed them to stay at home in Caloocan City at a time when it was a serious health risk to be out shopping.

DIGITAL TECHNOLOGY BOOSTS IRRIGATION



Farmers from a water users' group hold a meeting in Yogyakarta, Indonesia. ADB is supporting the use of advanced technology to rehabilitate irrigation networks across the country.

In a country with around 270 million people spread over more than 17,500 islands, achieving food security and reducing rural poverty can be an ongoing challenge.

It is why ADB is supporting a Government of Indonesia program to rehabilitate about 500,000 hectares of irrigation networks across 74 districts—with advanced technology being applied to get the job done. Part of a broader government initiative to provide economic opportunities to rural communities, the program requires that all irrigation assets and their operational condition be inventoried to accurately assess maintenance requirements and prioritize budget allocations.

To achieve this massive undertaking, the project has used digital technology to streamline field surveys by combining the use of an android application with a geospatial online database. The system also includes an irrigation asset management platform to cover performance measurements, damage assessments, prioritization of work handling, and cost estimation for maintenance and rehabilitation.

The use of these high-tech measures has already paid dividends. In 2020, the program surpassed the milestone of 2.5 million hectares of irrigation systems inventoried.

In Indonesia and Thailand, ADB committed \$1.5 billion to help expand social assistance programs, boost resources for COVID-19 prevention and control, and safeguard workers and productive sectors from the economic downturn. Cambodia and Myanmar each received commitments of \$250 million.

ADB also provided \$3 million in grants from the [Asia Pacific Disaster Response Fund](#) to both Indonesia and the Philippines to support each country's preparedness plans for COVID-19. This support was used to procure emergency medical supplies and equipment to improve COVID-19 testing capacity, provide personal protective equipment for health workers, and supply ventilators to improve treatment capacity.

ADB committed \$29.4 million to strengthen subnational fiscal planning, public financial management, and public administration in Cambodia. The programmatic approach will improve the quality and coverage of subnational service delivery and help minimize disparities.

In Indonesia, ADB provided \$500 million to support the government's ongoing efforts to enhance financial inclusion. Using innovative technology, the project will directly increase access to finance for micro, small, and medium-sized enterprises and communities not usually served by traditional banks.



Accelerating Progress in Gender Equality

ADB promoted gender equality in 89% of its number of committed projects in Southeast Asia during 2018–2020, up from 80% during 2017–2019. This reflects ADB's focus on supporting projects designed to improve women's access to finance and social assistance in Southeast Asia.

In Viet Nam, ADB committed a \$5 million grant from the Women Entrepreneurs Finance Initiative to provide COVID-19 relief for businesses run by women, incentivizing banks to restructure existing loans and extend new ones to at least 500 women-led small and medium-sized enterprises.



Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

Despite the shift in focus brought by COVID-19, ADB has remained committed to addressing climate change and disaster resilience in Southeast Asia. Of the total number of projects committed in this region in 2020, 54% included climate mitigation or adaptation components (compared to 51% in 2019). Total climate financing amounted to \$940 million, from ADB's own resources.

In Indonesia, ADB committed \$300 million for a project that will help expand the country's geothermal power generation capacity, contributing to the sustainability of the electricity system. The project is expected to avoid emissions of at least 705,699 metric tons of carbon dioxide equivalent per year and create 1,221 new jobs.

In Cambodia, the bank provided about \$128 million to help strengthen the national electricity utility's transmission infrastructure through the construction of 4 transmission lines and 10 substations. A \$6.7 million cofinancing grant from the Asia Clean Energy Fund will pilot the first utility-scale battery energy storage system in the country. The project is forecast to create 1,300 direct jobs.

In Thailand, ADB committed a B1.5 billion (\$50.4 million) loan to Energy Absolute Public Company Limited to support two of Energy Absolute's operating solar and wind projects as well as its efforts to establish a comprehensive electric vehicle charging network in the country. This green loan is the first certified climate loan in Thailand and one of the first in Asia. It will underpin Thailand's renewable energy sector and the transition to an electric vehicle industry. The investment complements a \$37.8 million long-term financing package for TTC Energy Development Investment Joint Stock Company to develop and operate a 50-megawatt-hour solar power plant in Tay Ninh province, and the bank's \$7.3 million commitment to Lomligor Company Limited for a 10-megawatt wind power plant in southern Thailand. As part of ADB's blended finance offering to Lomligor, the bank administered a \$4.8 million concessional loan provided by the Clean Technology Fund. The project supports the scaling up and replication of battery storage projects in Southeast Asia.

To promote disaster resilience in Indonesia and the Philippines, ADB provided each country with \$500 million in contingent finance under policy-based lending. This supported each government's response to COVID-19, as well as reforms in policy and institutional arrangements for disaster risk management and health-related emergencies, including social protection. The project will benefit over 9 million people in the Philippines. At least 20 Philippine cities will be provided with insurance policies for earthquake and/or typhoon coverage, with payouts providing near-immediate financial resources for early recovery costs.



Making Cities More Livable

ADB is financing projects addressing water security, urban mobility, and reforms in local governance to make Southeast Asia's cities more livable.

In Myanmar, the bank committed a \$180 million loan for a project to transfer 818 million liters of water per day to Yangon City, directly benefiting about 800,000 people. The investment will help the city's bulk water system respond to demand in times of natural water scarcity and meet residents' needs during public health emergencies.

In Viet Nam, ADB provided an \$8 million nonsovereign loan to Binh Duong Water Environment Joint Stock Company. Slated to expand the Tan Hiep Water Treatment Plant, the financing will increase production capacity, install additional water intake pumps, and build raw water transmission pipes from the Dong Nai River intake facility. The upgrade will help meet the rising water demand among residential and industrial customers in four key urban areas where industrial zones provide jobs for nearly 1.3 million locals and more than 500,000 foreigners. The financing will deliver sustainable and efficient water supplies in the fast-growing Binh Duong province. A collaborative One ADB approach enabled the client to transition smoothly from sovereign financing to stand-alone private sector financing: as part of a water sector investment program, the company had previously borrowed a sovereign-guaranteed loan of \$39.9 million to upgrade its water supply system. Both the project itself and its processing approach could be replicated elsewhere in Viet Nam and other DMCs, and ADB is in discussion with counterparts in Indonesia and the Philippines.



Promoting Rural Development and Food Security

Across Southeast Asia, ADB is investing in agriculture value chain infrastructure, improving agricultural productivity, and enhancing livelihoods in rural and remote communities.

In Cambodia, the bank committed \$70 million, with \$33 million cofinancing from the Japan Fund for Poverty Reduction and the High-Level Technology Fund, to support a project that will improve productivity and strengthen food safety and quality across various value chains. This will directly benefit about 230 agricultural cooperatives and 50 agribusinesses. The project will also improve 110 kilometers of rural roads connecting farms to markets.

In Thailand, ADB committed \$2 million for technical assistance to help address income

IN 2020, ADB'S COMMITMENTS IN THIS REGION WERE PRIMARILY IN THE FOLLOWING SECTORS:

41%

PUBLIC SECTOR
MANAGEMENT

16%

FINANCE

14%

HEALTH

11%

ENERGY

5%

TRANSPORT

disparities and the adverse impacts of climate change on highland agriculture and its associated communities. The project will support local governments in demonstrating to at least 300 highland farmers climate-resilient practices and technologies that can improve agricultural productivity, value addition, and food traceability.

In Timor-Leste, ADB administered a \$3 million grant as the bank's first sovereign operation in the country's agriculture sector. The project supports the overall development of the coffee industry and provides indirect benefits to all growers and sellers, who comprise 20% of households in the country. The project supports the first phase of Timor-Leste's National Coffee Sector Development Plan, 2019–2030, which targets a doubling of coffee production by 2030 and a 270% increase in export income. ADB also committed a \$1 million grant, implemented with United Nations Development Programme support, to ensure food and nutrition security for the country's most vulnerable households. Farm-to-table food assistance targeted local farmers who had not been able to sell their products due to COVID-19, benefiting about 25,000 people. Sourcing the food locally also helped support small enterprises.

To further advance food security in Indonesia, ADB signed a \$15 million nonsovereign loan with PT Cisarua Mountain Dairy (Cimory). The loan assisted Cimory in its daily operations during the COVID-19 pandemic, supporting the livelihoods of about 3,300 smallholder dairy farmers, 2,200 employees, and over 1,500 direct sales agents—mostly women.



Strengthening Governance and Institutional Capacity

ADB prioritizes institutional development and capacity building as a critical part of its support to DMCs in Southeast Asia. Approximately 63% of the number of projects committed for the region in 2020 included support for improved governance and institutional capacity. ADB continues to design and

finance programs to help DMCs build institutional capabilities, provide basic services, and optimize financial resources.

In Cambodia, ADB committed \$29.4 million for a public service and financial management development program to improve basic service delivery in water, sanitation, education, and other areas. The program will support reforms to strengthen subnational fiscal planning and public administration.

ADB provided \$26.5 million for a local governance reform project in the Philippines that will establish unified real property valuation services and digitize the property valuation database and information systems at the Bureau of Local Government Finance. This will boost real property tax collection by an estimated 25% from 2023 onward. The project will help improve local governments' ability to deliver services and finance infrastructure by making revenue collection more efficient.

Also in the Philippines, ADB committed \$400 million in policy-based lending for a capital market-generated infrastructure financing program. This will enlarge the government debt market, allowing the government to fund its priority programs—including its COVID-19 response package—while boosting the availability of long-term financing for infrastructure.



Fostering Regional Cooperation and Integration

In Southeast Asia, ADB is helping develop economic corridors, reduce trade and travel barriers, and enhance regional cooperation.

ADB provided \$1.5 million in technical assistance for the GMS to support early implementation of the subregion's cross-border transport and trade facilitation agreement. This will eliminate the need for repeat offloading and reloading at international borders and alleviate border congestion. It will bring



Helping Indonesia Emerge Stronger

In 2020, ADB approved a new country partnership strategy for Indonesia, covering 2020–2024. The strategy is geared toward helping Indonesia emerge stronger from the COVID-19 pandemic by accelerating economic recovery and strengthening climate resilience. It has a specific focus on strengthening health-care systems, expanding social protection, advancing quality education, developing workforce skills, and supporting environmental sustainability and green recovery.



A woman makes a bank withdrawal during the COVID-19 pandemic in Cambodia. ADB provided technical assistance to help the government develop and implement a “one-stop shop” social service delivery system.

the GMS a step closer to a free market for transport services, with lower prices for the subregion’s 300 million consumers.

ADB also committed additional financing for a GMS health security project in the Lao PDR (\$20 million) and Myanmar (\$30 million) to support, among other things, each country’s preparedness and response plan for COVID-19. The financing supported the immediate procurement and distribution of essential medical supplies and equipment, the scaling up of laboratory testing and case management, and the strengthening of the health system for coping with similar infectious disease outbreaks.

KNOWLEDGE HIGHLIGHTS

Many of ADB’s knowledge initiatives in Southeast Asia took a long view beyond the pandemic.

In the Philippines, ADB examined the technical and vocational education and training (TVET) system in the context of Industry 4.0—the digitization of manufacturing—and the changing demand for labor. The study provided recommendations on how to enhance the TVET system and expand the national authority’s ability to adapt to anticipated changes. The recommendations included enhancing TVET institutional arrangements and implementation, improving communication and coordination across government agencies, and intensifying the push for greater industry involvement.

In Indonesia, ADB explored policy options to advance the country’s technological transformation and unlock its economic growth potential, particularly in key policy areas such as employment, competitiveness, equity, and sustainability. An ADB study recommended policy actions including the promotion of infrastructure and institutions that support innovation, awareness of the business value of new technologies, technology transfer and technical support for firms, low-cost plug-and-play technology, and a tech-savvy workforce.

ADB helped operationalize the [Association of Southeast Asian Nations \(ASEAN\) Catalytic Green Finance Facility](#) under the ASEAN Infrastructure Fund. The facility takes a “one-stop shop” approach of integrating climate solutions and innovative financing approaches into project design, and benefits from cooperation with various cofinancing and development partners. A major part of its work is providing technical assistance support to better structure green projects across the region and develop pipelines of bankable green projects.

In October, ADB launched the [Southeast Asia Development Symposium](#) to help crystallize thinking on critical issues and support countries in making the transition to prosperous, knowledge-based, and sustainable economies. The inaugural symposium featured government and private sector leaders discussing how digital technology can help offset COVID-19 impacts and be an integral part of longer-term economic recovery.

PARTNERING WITH THE PRIVATE SECTOR

Private Sector Operations and the Promotion of Public-Private Partnerships

BY THE NUMBERS

\$4.5 B
COMMITTED

\$2.9 B
COVID-19
RESPONSE

\$2.3 B
DISBURSED

\$5.3 B
COFINANCED

In 2020, ADB committed private sector investments for 38 projects in critical sectors such as health, agriculture, energy, finance, water, and other urban infrastructure and services. These investments covered 11 developing member countries (DMCs) and included 5 regional projects. The number of private sector projects in 2020 matched that of 2019 despite the pandemic, and the bank remains strongly committed to increasing the share of private sector operations to one third by 2024.

Following the onset of the COVID-19 pandemic, ADB swiftly refocused its private sector resources to address the health and economic impacts in its DMCs. With \$442 million supporting new COVID-19-related projects and \$2.4 billion in revolving program commitments in trade finance, supply chain finance, and microfinance, 64% of private sector project and program commitments in 2020 directly or indirectly responded to COVID-19. (Chapter 2 provides examples of country-specific private sector operations.)

APPROACHES TO DEVELOPING THE PRIVATE SECTOR

In January 2020, the ADB Board of Directors endorsed the [operational plan for the bank's private sector operations](#). This plan sharpens ADB's focus on complex, innovative, smaller, and riskier projects in challenging markets and sectors. It also enhances efforts to address climate change and support women. ADB's private sector operations will support the priorities of the bank's Strategy 2030, with investments in core areas such as clean energy, environmental infrastructure, agribusiness, quality education and health services, and a vibrant finance sector.

ADB will expand the sector and geographic reach of its private sector operations, move closer to clients and partners, use more integrated and innovative approaches to tailor this support, and catalyze and mobilize financing.

EXTENDING SECTOR AND GEOGRAPHIC REACH

As the COVID-19 pandemic unleashed a global health crisis, ADB stepped up support for private sector approaches to back quality, efficiency, and financing in health infrastructure.

As early as February 2020, ADB provided working capital support of \$18.5 million to Wuhan-based pharmaceutical firm Jointown to ensure continued supply of essential medical supplies and personal protective equipment. An additional loan of \$36.7 million helped Jointown expand its distribution capacity to reach more hospitals and retail pharmacy outlets in underserved areas. The expanded distribution facilities include cold chain warehouses for temperature-sensitive pharmaceutical products such as vaccines. ADB also signed an \$8 million loan with Imexpharm Corporation to help the company sustain its production of generic medicines in Viet Nam despite global supply disruptions.

Encompassing agricultural manufacturing and services as well as production, agribusiness is critical to economic and social development in Asia and the Pacific. It contributes as much as a third of gross domestic product in most DMCs. The pandemic has, however, caused significant disruptions in the agriculture value chain.

Smallholder farmers across the region are acutely vulnerable to worsening poverty as their incomes were below average even before the pandemic. Local market closures and declining demand from small traders have reduced their earnings and increased food wastage.

As just one example of broader support for agribusiness, ADB provided \$93.8 million in financing to Olam International Limited. This helped the company buy more coffee, cacao, and other high-value crops from at least 100,000 smallholder farmers in Viet Nam, Indonesia, and Papua New



A doctor administers a vaccine to a child during a vaccination drive in Mandaluyong City, Philippines. ADB has created an interactive mapping tool for the supply chains of vital pandemic-fighting products.

Guinea. Headquartered in Singapore, Olam buys directly from growers and agents at the farm gate. The ADB investment taps into the company's capacity to provide a coordinated regional solution for smallholder farmers impacted by domestic market limitations.

ADB is also working to extend private sector investment into more economies of Asia and the Pacific where development needs go unfinanced and unmet because of real or perceived investment risks.

The bank signed loans for the first private sector gas-fired power plant in Afghanistan to be funded by development finance institutions. ADB committed a \$20 million financing package to Afghan Power Plant Company Limited. The project represents a significant private sector engagement by ADB to support essential infrastructure in a fragile and conflict-affected economy. The loans will help build and operate a 58.56-megawatt (MW) gas-fired power plant, generating 404 gigawatt-hours of power annually and supporting Afghanistan's efforts to achieve long-term energy security.



MAPPING SUPPLY CHAINS OF LIFE-SAVING PRODUCTS

In the early stages of the pandemic, as health systems, governments, and international organizations sought to secure stocks of crucial goods like portable ventilators, a key obstacle was a lack of information on who made what in the supply chains.

To help fill this gap, ADB drew on its knowledge and networks in trade and supply chain finance to develop an interactive mapping tool for the supply chains of vital pandemic-fighting products.

The tool allows governments, banks, investors, health-care professionals, and companies to trace every component in such products, down to the metal and rubber in each part. They can then intervene to clear supply blockages, such as by funding a company struggling to meet demand.

Within months, around 10,000 visits had been made to the free mapping tool website. There, users can search—by product or by location—a database of 25,000 companies involved in supply chains around the world. Companies have used the tool to track down machines used in the production of personal protective equipment, for example, and banks have identified clients producing pandemic-related goods to explore opportunities to assist them.

As the demand for more information has expanded, so has the database. From the initial seven products mapped, the tool now covers about 33 different categories, including vaccines and the equipment that keeps them cold in transit.

DIVERSIFICATION

In 2020, ADB committed

58%

of its 38 nonsovereign operations in new sectors or frontier markets.

ADB's first grant-based concessional facility for nonsovereign operations, the ADB Private Sector Window is an innovative pilot program to promote private sector growth in low-income countries. The fund was established to help reduce shared financing constraints that hinder private sector operations, especially in fragile and conflict-affected situations and small island developing states. It has three tailored investment solutions: blended finance, local currency risk mitigation, and loan guarantees. The program will encourage and mobilize private sector investment through co-investments and partnerships with other development financial institutions, commercial lenders, and institutional investors for highly developmental projects, including in agribusiness, education, health, financial institutions, and nontraditional infrastructure.

MOVING CLOSER TO CLIENTS AND PARTNERS

The opening of ADB's new office in Singapore in March marked a pivotal stage in the expansion of the bank's private sector operations. As a financial hub, Singapore's sophisticated private and public sector ecosystems will help mobilize investments and bring the latest technologies and management skills to development projects across the Asia and Pacific region. The new office allows ADB to work more closely with stakeholders, including key investors and sponsors, leveraging the bank's strengths in infrastructure and innovation to support DMCs.

In 2020, ADB invested in Clifford Capital Holdings (CCH), a specialist global financing and distribution platform for infrastructure and other real assets, headquartered in Singapore. The transaction comprised \$50 million from ADB and \$45 million from the Japan International Cooperation Agency-funded Leading Asia's Private Sector Infrastructure Fund (LEAP). To maintain growth, tackle poverty, and address climate change, developing Asia and the Pacific needs \$1.7 trillion annually in infrastructure financing through to 2030, and CCH's focus on financial innovation through securitization can help meet these financing needs.

PIONEERING INNOVATION AND MOBILIZING FINANCE

Of the \$2 billion in long-term cofinancing ADB mobilized in 2020, about 87% came from commercial cofinancing partners, with the rest from official sources. Every \$1 of ADB's committed nonsovereign financing was matched by \$2.12 in long-term cofinancing—up from \$1.50 during 2019 and on track to achieving the 2030 target of mobilizing \$2.50 in long-term cofinancing for every \$1 of ADB financing.

ADB provided financing, through Viet Nam's first certified green loan, for Phu Yen TTP Joint Stock Company to develop and operate a 257 MW solar power plant. The financing comprises a \$27.9 million loan funded by ADB, a \$148.8 million B loan funded by commercial banks, and a \$9.3 million loan from LEAP. The syndicated loan is the first green B loan in Asia and the Pacific to be certified by the Climate Bonds Initiative, and one of the largest such loans yet mobilized in the country. The project is the single largest operating solar power plant in Viet Nam and one of the largest in Southeast Asia.

In Bangladesh, ADB provided \$100 million to Reliance Bangladesh LNG and Power Limited to build and operate a 718 MW combined-cycle gas-fired power plant. ADB also administered \$100 million from LEAP in cofinancing. ADB has been instrumental in mobilizing crucial commercial financing, incorporating best practices in environmental and social standards, and establishing precedents for future financing of similar large-scale projects in Bangladesh by boosting investor and lender confidence.

EXPANDING ACCESS TO VENTURE CAPITAL

Launched in 2020, ADB Ventures is the venture arm of ADB and invests in early-stage technology companies that address urgent development problems in emerging Asia and the Pacific. ADB Ventures aspires to crowd in more than \$1 billion of risk capital toward achievement of the Sustainable Development Goals by 2030.

ADB recognizes that spurring innovators to expand into frontier markets requires a multi-pronged approach that addresses financing gaps across multiple stages of a young company's business life cycle. Having raised its first fund in 2020 with \$60 million in commitments, ADB Ventures Investment Fund 1 focuses on climate and gender impact in South and Southeast Asia. The fund co-invests with the private sector in pre-Series A and Series A stage companies. ADB Ventures' Seed program provides up to \$200,000 catalytic funding, typically at seed stage, giving ADB the option to make future equity investments in these companies. These products enable early-stage companies to validate and commercialize their products and services in emerging markets.

The ADB Ventures Labs program leverages ADB's operational networks, relationships, and strategic partners to match regional demand for technology solutions to best-in-class technology companies.

The Labs program helps portfolio companies scale and identify investment opportunities.

Inaugural investors in ADB Ventures Investment Fund 1 include Finland's Ministry for Foreign Affairs, the Clean Technology Fund, the Nordic Development Fund, the Korea Venture Investment Corporation, and the Republic of Korea e-Asia and Knowledge Partnership Fund. The ADB Ventures Seed and Labs programs are cofinanced by the Clean Technology Fund, the Asia-Pacific Climate Finance Fund, and the Nordic Development Fund. The Nordic Development Fund, the Clean Technology Fund, and the Government of Australia cofinanced the preparation of ADB Ventures.

The technical assistance program's innovative ADB Ventures Labs initiative helped more than 50 early-stage companies explore opportunities to scale up by matching these enterprises with public sector client networks as well as corporate partners in commercial real estate, hospitality, agrifood, and water treatment.

ADB's vision is for ADB Ventures to become the largest venture capital platform for technology in Asia and the Pacific.

USING PRIVATE EQUITY FUNDS TO EXTEND REACH

To leverage the local knowledge of fund managers in unfamiliar markets and sectors, ADB invests in private equity funds. This allows diversification of risk across companies, industries, and regions to extend development impact and provide more reliable returns.

At a time when countries around the world are facing unprecedented challenges in generating equity and capital, ADB invested \$75 million in OrbiMed Asia Partners IV, LP (OAP IV), a private equity fund managed by OrbiMed Advisors LLC, to enhance health-care capacity, innovation, and resilience in India and the People's Republic of China (PRC). The investment in OAP IV will help develop effective, quality, and affordable solutions and responses to global health-care crises by enhancing disease detection, treatment, and response capacities in the fund's target markets.

ADB also invested \$10 million in Navegar II L.P. (Navegar II), a private equity fund that invests primarily in Philippine companies.

**PROGRESS
AGAINST
STRATEGY
2030
TARGETS**



COFINANCING

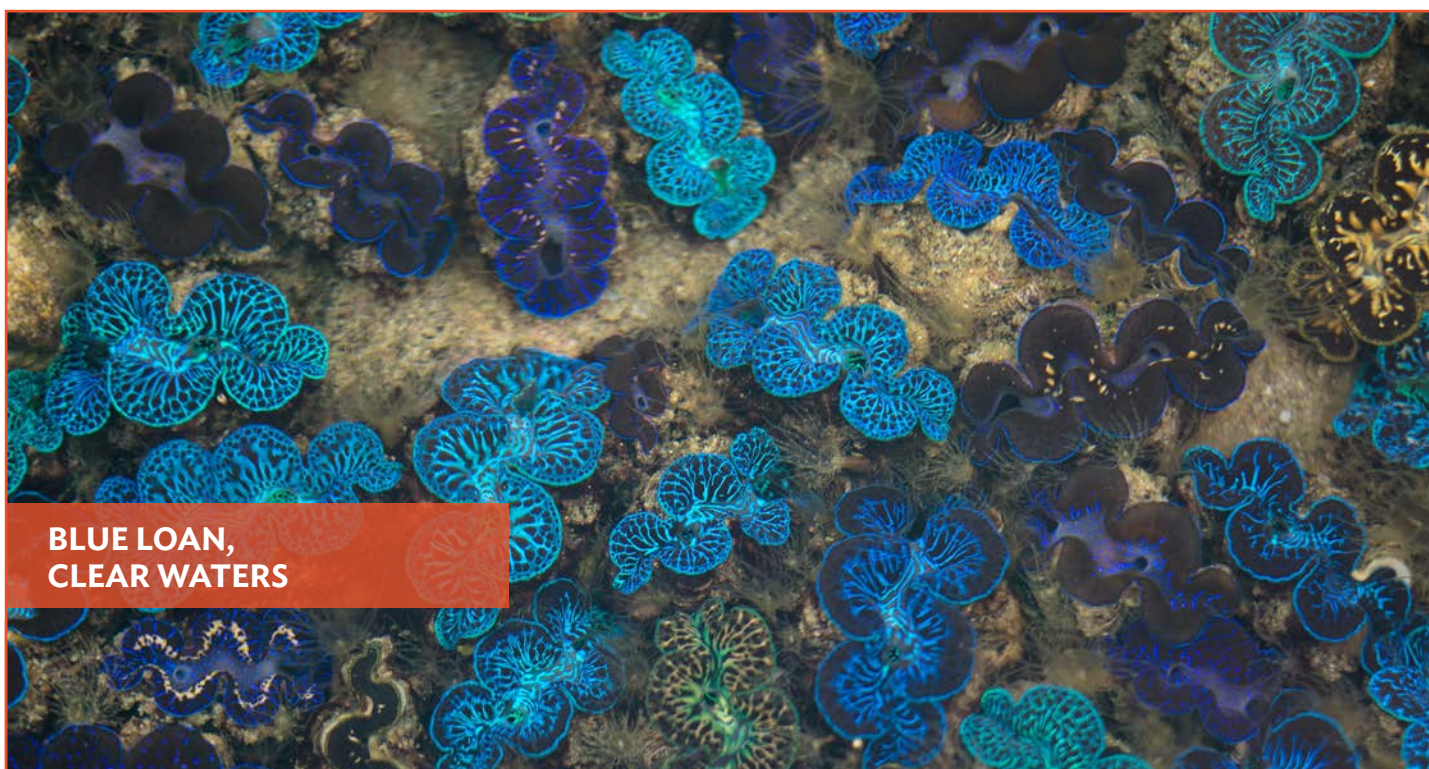
In 2020, every \$1 of ADB's own committed nonsovereign financing was matched by

\$2.12

in long-term cofinancing, up from \$1.50 in 2019.



ADB provided financing for the Phu Yen TTP Joint Stock Company to develop this solar power plant in Viet Nam through the first green B loan in Asia and the Pacific to be certified by the Climate Bonds Initiative (Photo by Phu Yen).



BLUE LOAN, CLEAR WATERS

Colorful coral thrive in a reef near Aitutaki Island in the Cook Islands. ADB is supporting recycling plants to help reduce ocean pollution.

It is estimated that Asia is responsible for more than 80% of all plastics released into the ocean, causing significant damage to marine ecosystems. Under its Action Plan for Healthy Oceans and Sustainable Blue Economies, ADB is working to reduce ocean pollution.

In November 2020, the bank committed \$50 million and administered another \$50 million from the Leading Asia's Private Sector Infrastructure Fund for Indorama Ventures Public Company Limited to reduce the environmental impact of plastics. Development partners will provide a further \$200 million in loans for the project: the International Finance Corporation will provide \$150 million and DEG (Deutsche Investitions- und Entwicklungsgesellschaft mbH) \$50 million. The investment will help boost the capacity of Indorama's plastic recycling plants in India, Indonesia, the Philippines, and Thailand, promoting a circular economy whereby products and materials are redesigned, recovered, and recycled to divert plastic waste from landfills and oceans.

The plants to be built under the project will recycle polyethylene terephthalate (PET) plastics widely used in drink bottles. They are expected to divert nearly 5 billion additional bottles from waste each year. ADB's loan is its first independently verified nonsovereign blue loan. Under its Action Plan for Healthy Oceans and Sustainable Blue Economies, ADB aims to expand its investments and technical assistance for ocean health and marine economy projects to \$5 billion during 2019–2024.

The investment helped provide much-needed capital for middle-market enterprises, supporting their adjustment to dramatic market changes caused by the COVID-19 pandemic. The \$200 million fund will invest in sectors including health care, education, business process outsourcing and information technology services, logistics, consumer and retail, and tourism. Through Navegar II, ADB is helping drive economic growth, support companies in expanding their operations, create sustainable jobs, and boost tax revenues. The investment also encourages the development of private equity as an asset class in the Philippines, catalyzing foreign investment and deepening domestic capital markets.

SCALING UP SUPPORT FOR PUBLIC-PRIVATE PARTNERSHIPS

ADB supports its DMCs to develop sustainable infrastructure projects and deliver efficient and effective public services through public-private partnerships (PPPs). The bank helps DMCs improve their investment climates, formulate sound market regulations, and build robust legal and institutional frameworks to attract private sector interest in PPPs.

PPPs can play a critical role in plugging the sizable gap in infrastructure investment across Asia and the Pacific. By investing in new technologies, implementing innovative solutions, and developing more transparency, the private sector has the



ADB swiftly refocused its private sector resources to address COVID-19 health and economic impacts in its developing member countries ... Sixty-four percent of private sector project and program commitments in 2020 directly or indirectly responded to COVID-19.

potential to improve operational efficiency as well as asset and service quality.

ADB provides transaction advisory services to assist public and private sector clients structure and procure viable projects. The bank also manages the Asia Pacific Project Preparation Facility (AP3F)—a multi-donor trust fund with contributions from the governments of Australia, Canada, and Japan—to help prepare and monitor PPP projects, build government capacity, and create an enabling environment for PPPs.

ADB achieved commercial closure of two PPP transactions in 2020, garnering \$116 million in capital commitments from the private sector. The first was the Cambodia National Solar Park (Phase 1), which through open competitive bidding achieved the lowest price for solar power in the Association of Southeast Asian Nations region. The second was the Philippine National ID project, which will provide unique, foundational, digital identification for all residents of the country.

Through AP3F, ADB also completed three capacity-building projects (in Bangladesh, the Philippines, and Solomon Islands) and provided project definition support for solid waste management in Uzbekistan.

As of 31 December 2020, the bank is implementing 24 transaction advisory mandates and AP3F project preparation projects across Azerbaijan, Bangladesh, Cambodia, Indonesia, Kazakhstan, Pakistan, Palau,

Papua New Guinea, the People's Republic of China, the Philippines, Timor-Leste, and Uzbekistan. Of these mandates, 14 are being implemented in conjunction with AP3F project preparation support. These mandates include the development of PPP projects in transportation, information and communication technology, health care, energy, education, water supply, sanitation, and other urban infrastructure.

KNOWLEDGE HIGHLIGHTS

Digitizing trade operations is a vital shift for a sector still reliant on the face-to-face exchange of multiple documents for every transaction. During 2020, ADB's [Trade and Supply Chain Finance Program](#) (TSCFP) executed the first pilot trade finance transaction using distributed ledger technology (blockchain) by a multilateral development bank, which was successfully completed in August. The use of blockchain is a step toward the goal of digitizing more of the paper-intensive trade finance process.

The TSCFP has been working with governments and the International Chamber of Commerce to create digital standards and protocols for trade, including helping to launch the Digital Standards Initiative. The TSCFP is also promoting global adoption of a Legal Entity Identifier, so that everyone agrees on a common method to more simply identify the companies and other players involved in trade.



New Anti-Money Laundering Course for Partner Banks

ADB's Trade and Supply Chain Finance Program is supporting staff at partner banks in DMCs to become certified anti-money laundering specialists through an online course. Developed by the Association of Certified Anti-Money Laundering Specialists, the course was made available to partner banks for the first time in 2020. Australia's Department of Foreign Affairs and Trade is working with ADB to sponsor free access for DMC partner banks.

ORGANIZATIONAL EFFECTIVENESS

Delivering Through a Stronger, Better, and Faster ADB

A RESILIENT ADB

Resilience and Response to COVID-19

ADB's previous investments in enhancing its digital capabilities and establishing detailed business continuity protocols enabled it to adapt swiftly to the outbreak of COVID-19. The bank successfully shifted to remote working while maintaining its operations and expanding its support to help its developing member countries (DMCs) tackle the multifaceted impacts of the crisis.

ADB convened a pandemic crisis management team in January 2020 and implemented protective measures under a coordinated crisis management plan to keep staff safe and secure essential functions. These measures included enhanced security procedures and health and safety protocols as well as arrangements for staff and contractors to work remotely. ADB quickly procured emergency goods and services worth almost \$800,000 to ensure availability of personal protective equipment, medical supplies, and internet connectivity for staff.

A dedicated support unit for field offices helped them establish and implement new protocols and make workspaces COVID-19-compliant. The unit also assisted with the implementation of appropriate work arrangements for outposted personnel in DMCs where health risks were particularly high.

The near-overnight closure of ADB offices meant the bank had to rapidly establish ways for staff working remotely to access in-house systems and functions, including crucial data dashboards to monitor operations, and for a globally dispersed staff to be able to easily communicate with each other. ADB quickly provided customized secure connection over the internet (VPN) for all offices and extra information technology (IT) equipment, including portable Wi-Fi devices, to enable staff to work from home. The bank also strengthened its vigilance against cyberattacks using protection, detection, and incident management tools. A new real-time IT

monitoring system using bots creates early alerts on connectivity and other IT issues, saving time for staff working in nearly 70 countries, as well as money.

ADB increased its interaction with its DMCs and external stakeholders and strengthened internal communication across the ADB network. Regular online briefings from senior staff kept the ADB community updated on the COVID-19 situation and the bank's response, attracting up to 8,000 viewers.

The crisis management team continued to assess COVID-19 developments throughout the year to ensure the bank adjusted to changing circumstances. This included planning for phased reoccupancy of headquarters and field offices.

Ongoing Work to Ensure Continuity and Effectiveness

During 2020, ADB continued to enhance its longer-term capabilities to ensure business continuity. Even prior to the COVID-19 pandemic, these capabilities were tested in January 2020 by a volcanic eruption near Manila in the Philippines that caused disruption in much of the city.

To provide remote additional support for proprietary information and processes, especially for critical financial systems, ADB established an outsourced resiliency hub in Valencia, Spain. A study initiated in 2020 is seeking to reduce the longer-term risk of having most of the bank's processes and decision-makers based in its Manila office.

Further enhancements were also made in the Security Operations Center. The center is now able to remotely monitor the status of ADB headquarters and many of its field offices in real time using CCTV systems. It has also established multiple back-up communication systems with field offices as part of ADB's emergency preparedness planning, including satellite phone and data communications.

ENSURING A ROBUST RESOURCE BASE

In 2020, donors agreed to replenish the [Asian Development Fund 13](#) (ADF 13) and Technical Assistance Fund 7 (TASF 7) with in excess of \$4 billion for 2021–2024. ADF 13 will help DMCs address key development issues including regional health security, disaster risk reduction, climate change adaptation, and gender equality.

To better tackle shared objectives in its DMCs, ADB channels funding from other development partners through project-specific cofinancing, trust funds, and financing partnership facilities. In 2020,



ACCELERATING DIGITAL TRANSFORMATION

Hosting a virtual Annual Meeting. Staff work behind the scenes during ADB's 53rd Annual Meeting of the Board of Governors.

the bank continued to increase the efficiency and effectiveness of trust fund operations through investments in dedicated IT platforms to automate fund application, review, communication, portfolio monitoring, and reporting; and through internal capacity building and training for trust fund managers. These investments improved trust fund administration and transparent and meaningful donor reporting. To meet DMC needs as well as partners' funding objectives, ADB maintained proactive communication with stakeholders to promptly identify funding gaps and available resources for deployment through trust funds.

In 2020, ADB executed 146 medium- and long-term borrowing transactions, raising over \$35 billion across 22 currencies—ADB's largest, and one of its most diversified, funding programs. This included ADB's offshore Mongolian togrog-linked bond, which set a new benchmark in the international bond market for frontier currencies, as well as Pakistan rupee-linked bonds, the first issue by a multilateral development bank of which Pakistan is a member. ADB also continued to issue thematic bonds and green bonds amounting to over \$1.2 billion in 2020.

In anticipation of the move to alternative reference rates, ADB continued preparation for the scheduled phaseout of the London interbank offered rate (LIBOR). The preparations included updates

The pandemic and shift to remote working accelerated ADB's digital transformation and the modernization of its IT systems. To help staff enhance their digital skills and adapt to work from home, ADB fast-tracked its IT training program: within 3 months, the bank delivered more than 200 micro-learning sessions for about 5,000 participants, more than double its annual rate of IT training.

ADB delivered 50 new digital products, almost double the 2019 total, including platforms to support online collaboration, and automation of business processes to ensure continued productivity while working from home. New real-time dashboards that automate management reporting and eliminate repetitive data gathering include a COVID-19 response dashboard to track ADB projects and a human resources dashboard to track staff working outside duty station.

ADB also initiated eight new digital projects worth about \$37 million to tackle, for example, modernizing the Sovereign Operations system, managing partner funds and project financing, and establishing new institutional systems for government relations and legal document management. It also created integrated platforms for nonsovereign operations, and modernized ADB's disbursement systems.

The bank's Digital Innovation Sandbox program crowdsourced hundreds of ideas and solutions on health and well-being, education, economic development, and enhancing institutions. Emerging technologies, including artificial intelligence, robotic process automation, conversational bots, and distributed ledger technology (blockchain), were pilot tested across the bank. These pilots catalyzed digital culture change by automating business processes, using bots to engage with business partners, leveraging artificial intelligence in analyzing ADB projects over past years, and improving opportunities and efficiencies in sovereign and private sector operations.

to loan documentation and IT infrastructure to achieve smooth transition and close coordination with ADB members and clients.

In 2020, ADB introduced a pilot framework for sovereign exposure exchanges with peer multilateral development banks, which will allow it to better manage concentrations in the operations portfolio.

The bank also implemented the enhanced Capital Adequacy Framework, which is based on best practices and supports the development of operations under Strategy 2030. The capital utilization ratio (CUR) replaced the equity-to-loan ratio (ELR) as the capital indicator for financial planning.

ADB's shift to use of the CUR—the ratio of total economic capital used to usable equity—enabled the bank to enhance and quickly adjust its planning to help maximize its financial support to DMCs. The CUR is a more dynamic and information-rich measure than the ELR, and changes with markets and the credit cycle. The ELR focused on nominal capitalization and did not take into account changes in the risk profile of the balance sheet.

During 2020, internal administrative expenses were managed flexibly and effectively to ensure resources were allocated and reallocated according to business needs as they emerged, including the necessary response to COVID-19. As part of ongoing improvements to planning, budgeting, and accounting, the 3-year rolling capital expenditure framework was rolled out to headquarters facilities in 2020.

IMPROVING OUR SERVICE TO ADB MEMBERS

Regional Presence

In 2020, ADB completed a review of operations in its resident missions within DMCs. The review action plan will strengthen collaboration among ADB departments on country issues; sharpen the focus on private sector, advisory, and knowledge operations; and provide more efficient support and

better connections from the bank's headquarters to resident missions. The action plan will allow ADB to be more focused on and responsive to DMC needs, and to deliver more integrated development solutions.

During the year, ADB opened an office in Singapore and opened Pacific country offices in the Cook Islands, Palau, and Tuvalu.

Business Processes

ADB reviewed the content and business process of its [country partnership strategies](#) (CPSs)—the main platform for the bank's engagement with its DMCs. This review found that the bank's 2016 reforms improved the quality, value addition, and efficiency of the CPS model and process. The review recommended further enhancements to embrace the new directions and priorities of Strategy 2030. It noted the need for differentiated country approaches, integrated private sector operations, enhanced interdepartmental collaboration, more targeted knowledge and innovation, and better alignment with the Sustainable Development Goals.

The work of ADB's new Strategy 2030 implementation group included finding effective ways to integrate sovereign and nonsovereign operations to provide more comprehensive support for DMCs. The bank established this group to manage change within the organization and to promote collaboration, innovation, and the sharing of ideas and knowledge across departments and areas of specialization.

To enhance its sovereign operations, the bank launched a project to transform the existing IT systems of its sovereign operations into an end-to-end system that is integrated, accessible, flexible, and efficient. The new system will increase collaboration and transparency with accountability.

Procurement

Despite the challenges posed by COVID-19, contract award achievements in 2020 exceeded 2019 levels. ADB introduced a new streamlined strategic procurement framework, including flexibility for emergency situations, and the framework's flexibility enabled ADB and its clients to respond more appropriately and effectively to the pandemic. This involved directing procurement through United Nations agencies, as a result of the Board's waiver permitting universal procurement in response to COVID-19. It also included the use of framework agreements, direct contracts with existing qualified suppliers, and increased delegation of approval authority within ADB.



ADB opened an office in Singapore and opened Pacific country offices in the Cook Islands, Palau, and Tuvalu.

To achieve increased value for money in development projects, ADB advocated the use of “merit points” to evaluate construction contracts when appropriate to assess qualitative factors. In 2020, merit points were used to evaluate the technical aspects of bids under the Philippines Malolos–Clark Railway Project, which resulted in contract awards of \$2.5 billion. Seven other contracts employed merit point criteria in 2020, and further use of the approach is planned.

ADB is also delivering increased value for money in its own procurement operations. In 2020, it set up 36 framework agreements for commonly required areas of expertise across the bank. These agreements enabled ADB to select 174 prequalified experts and contract 129 experts with significant time savings.

INVESTING IN OUR PEOPLE

Through flexible work arrangements implemented in response to COVID-19, ADB explored new ways of fostering staff well-being, productivity, engagement, and commitment. The bank established a strategy to support staff to be agile, autonomous, continually learning, and performing at their best while working in a virtual environment. It made available a broader range of learning opportunities and purchased a comprehensive e-learning library. The LinkedIn Learning hub gives staff access to more than 15,000 resources to enhance creative, business, and technology skills. Half of ADB’s staff attended a learning program in 2020 with 95% rating their overall experience as *very good* or *excellent*.



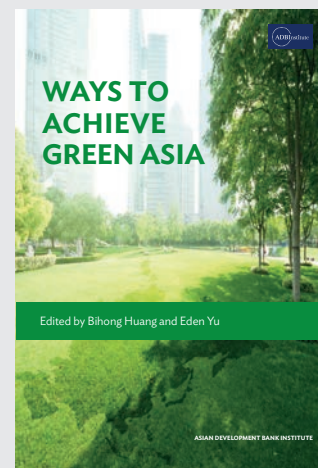
ASIAN DEVELOPMENT BANK INSTITUTE

The [Asian Development Bank Institute \(ADB Institute\)](#)—ADB’s think tank based in Tokyo—addressed wide-ranging COVID-19 challenges and policy needs during 2020. The institute examined issues such as the development of effective safety nets, behavioral insights and techniques for combating COVID-19, and the potential for digitalization to drive sustainable and inclusive recovery.

ADB Institute participated in regional and global COVID-19 policy development initiatives with other think tanks through the Global Solutions Initiative, Think20, and the University of Pennsylvania’s Think Tanks and Civil Societies Program (TTCSP). For the second year running, TTCSP named ADB Institute as the world’s top government-affiliated think tank in its annual *Global Go to Think Tank Index Report*. The institute also placed 24th in the index’s worldwide think tank ranking.

During 2020, ADB Institute published 12 open access books, 145 working papers, and 8 policy briefs. It hosted 42 largely online research events for 3,996 policymakers and stakeholders, with a 40% female participation rate. In addition to COVID-19 issues, ADB Institute’s research focused on topics such as energy reform, financial inclusion, gender gaps, green and ethical finance, small and medium-sized enterprise trade, and urban resilience.

ADB Institute also organized 47 capacity-building and training events, which attracted a total of 5,304 participants, with a 40% female participation rate. About 19% of these events were hosted in collaboration with ADB. The institute also accelerated development of the ADB Institute E-Learning platform and online courses with external partners such as the University of Cambridge and Stanford University.



ADB book on enhancing environmental and climate change governance in the region.

The pandemic has had a profound impact on all members of the ADB community, especially given the challenges of balancing professional and domestic life while working from home. ADB enhanced its health and medical support for staff, provided extra and more flexible leave allowances to support work-life balance, and increased its awareness raising about the well-being resources and medical services available. ADB also kept its headquarters open continually to staff and contractors as a safe haven from March onward. During 2020, an average of 149 people used the safe haven facilities each day.

As an immediate crisis response, ADB provided a series of well-being webinars with a focus on leading oneself and others through change. The highly interactive webinars explored themes like taking care of yourself and others, managing teams and virtual collaboration, and thriving through change. The series helped staff build capabilities to respond effectively to working and living in a crisis environment.

ADB also offered a meditation and movement program based on neuroscience research and a stress first aid program to help supervisors identify stress and respond effectively. During October, the bank held online events providing guidance on health, wellness, safety, and resilience for the ADB community. The 50 events included workshops and webinars and covered topics such as physical fitness, mental health, mindfulness and meditation, personal safety, domestic violence, and managing finances. The bank also produced a resource sheet on managing mental health to help staff access support through the employee assistance program and the in-house counselor.

The bank prioritized recruitment of staff and consultants related to its COVID-19 response. Departments targeted staff resources, both by redeploying staff with relevant skills and through recruitment, to meet the needs of DMCs. ADB used new ways to bring new staff on board virtually. In line with its commitment to diversity and inclusion, ADB made progress in the recruitment of women into its ranks of international staff, particularly at mid to senior levels. Women now account for 37.7% of ADB's international staff, up slightly from 36.6% in 2019.

ADB implemented new initiatives to become more responsive to changing circumstances and business needs. For example, it introduced staff pooling and job-sharing arrangements. It also began exploring a wider range of contract types, such as renewable fixed terms and the contingent workforce for

consultant use, to provide greater flexibility to its existing personnel.

In November, the bank launched a cultural transformation initiative led by President Asakawa to foster an enabling culture that helps all staff to thrive and to focus on achieving the shared vision of a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. Through a consultative and iterative process, the initiative will refresh and articulate ADB's core values and supportive behaviors. It will review ADB's structure, business processes, human resource policies, and practices to ensure they are aligned with core values and behaviors. The initiative also aims to enhance collaboration across the bank.

To help foster a positive workplace, ADB established a new Office of Professional Conduct to support and advise staff and Management. This carries out training and raises awareness about ADB's code of conduct, provides advice on how to apply the code in particular situations, and supports staff and managers to assess and resolve workplace concerns. Since its inception, the office has handled over 100 staff inquiries. It has also set up awareness programs to strengthen understanding of professional conduct and has provided training to help staff act as "first responders" for colleagues experiencing stress and other difficulties.

The Office of the Ombudsperson continued to provide impartial and confidential consultation, facilitation, and conflict management services to all members of the ADB community. It compiles anonymous aggregate data and other findings to inform decision-makers of problem areas and trends that may require attention. It makes recommendations to resolve systemic issues and suggest institutional changes when appropriate. The office's cases in 2020 showed that the pandemic exacerbated previously observed concerns and issues regarding mental health and well-being.

During 2020, ADB concluded a comprehensive review of its employment benefits and compensation. These reviews are conducted every 5 years to ensure that the bank's policies in remuneration remain competitive and fit-for-purpose. As a result of the review, ADB is, for example, now blending data from Asia and the Pacific, Europe, and the United States and considering the policies of international financial institutions and the private and public sectors to get a better market proxy for international staff salary and benefits. The bank increased its retirement age from 62 to 65 (for new employees) and introduced changes in other benefits, such as increased parental leave and reduced post-secondary education

assistance (for new employees). In recognition of the economic impact of COVID-19 globally, the bank committed to one-time awards in 2021 to recognize high performers, instead of permanent salary increases. ADB recognizes the need for further flexibility in benefits and compensation, and the review's other policy recommendations will be assessed and implemented in the years ahead.

ACCOUNTABILITY AND ASSURANCE

ADB devotes substantial resources to manage credit, market, and operational risks. Through these policies, the bank ensures prudent risk management principles and business processes that allow staff to monitor and manage all risks associated with operations.

Internal Audit

The bank used remote auditing tools and techniques to respond to restrictions in movement during 2020. Internal audit examined data on financial operations, governance, risk management, and control by gathering electronic evidence and interacting with clients virtually.

ADB incorporated cognitive technology and robotic process automation to examine the completeness of covenant clauses in its IT system for sovereign projects. In addition, ADB upgraded its core audit support system into an on-premise, cloud-based management system to support the work-from-home environment.

INDEPENDENT EVALUATION

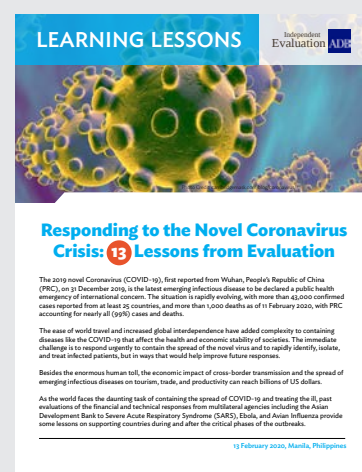
High-level evaluations by the [Independent Evaluation Department \(IED\)](#) in 2020 covered critical areas of ADB's performance and results. The IED assessed areas including transport, energy, knowledge, safeguards, public-private partnerships, and ADB's self-evaluation system. In addition, the IED produced 14 project and technical assistance performance evaluations and validated 70 project completion reports and 6 country partnership strategy reviews, despite the challenges of travel and communication due to COVID-19. Its work provided timely evidence to help ADB continue to improve project design, operations, and development outcomes.

To provide just-in-time support to COVID-19 responses, in February 2020, the IED produced a brief highlighting evaluation lessons from multilateral agencies' experiences of tackling health crises and epidemics. The IED also synthesized relevant evaluation lessons on supporting MSMEs during financial crises, strengthening social assistance systems, and delivering vaccination programs.

To support communication of evaluation findings, the IED created a video interview series. In the videos, heads of independent evaluation from multilateral development banks discuss topics that include applying lessons from past crises, carrying out evaluations remotely, and engaging with operations while maintaining independence.

During 2020, the IED co-hosted its first virtual Asian Evaluation Week, which attracted over 1,200 participants from across the world. This event involved 32 sessions on evaluating for a better future, including how evaluation can support innovation and provide strategic direction with a public and private sector perspective. The event was jointly sponsored with the Ministry of Finance, PRC.

To enhance its own operations, the IED launched a new technical assistance completion report validation system and collaborated with ADB Management to develop an evaluation principles document.



IED brief on lessons from multilateral agencies' experiences of tackling health crises and epidemics.

In 2020, ADB issued 13 audit and 3 advisory reports covering operations, finance and risk, administration and operations support, and IT. These focused on enhancing four strategic areas of ADB's work: collaboration across the bank, support to the private sector, use of digital technology, and institutional administration.

Accounting and Internal Controls

In 2020, ADB administered total annual disbursements of \$23.6 billion for ordinary capital resources and special funds. It also provided COVID-19-related support to project teams in loan negotiations, project documents, and disbursements.

ADB continues to deliver timely financial statements and maintains effective internal controls for financial reporting for its own funds and trust funds. The bank successfully implemented a current expected credit loss model in 2020, which is one of the significant accounting standards affecting the bank's loans, guarantees, and debt security products. For

2020, the bank's external auditors noted that ADB's financial statements were presented fairly in all material respects, and that ADB's internal control over financial reporting was effective.

ADB maintained knowledge sharing and outreach to clients through virtual seminars on loan disbursement and accounting. It also implemented new IT systems and tools to improve accounting efficiency, information security, and service to borrowers and internal clients.

Anticorruption and Integrity

In 2020, ADB successfully conducted investigations, proactive integrity reviews, and capacity-building efforts by using remote technologies and engaging resident mission colleagues and external experts present in the countries concerned.

Over the year, ADB assessed a record 375 complaints (an increase from 299 in 2019), with 263 closed and 112 requiring further investigation. It also concluded 76



ADB made progress in the recruitment of women into its ranks of international staff, particularly at mid to senior levels. Women now account for 37.7% of ADB's international staff.

external investigations, resulting in the debarment of 89 firms and 31 individuals and the issuance of reprimands in 20 cases and cautions in 9 cases. The bank conducted three proactive integrity reviews and one follow-up review of a previous review, and issued four reports for reviews conducted in previous years.

As part of efforts to speed ADB's COVID-19 response without compromising standards, ADB integrity specialists worked side by side with project teams to strengthen procurement, financial management, and anticorruption controls in COVID-19 project and program designs.

Country Safeguards

Following an independent evaluation of its 2009 Safeguard Policy Statement, completed in May 2020, ADB initiated a [safeguard policy update](#). This will provide opportunities for increased convergence of safeguards systems with other development partners. The review will consider policy architecture, emerging topics, and thematic issues and gaps. It will involve extensive consultations with stakeholders throughout the multiyear process, including DMCs and civil society organizations. The bank also prepared a study on how grievance redress mechanisms work at the project level, and will incorporate lessons from this into the safeguard policy update. ADB continued to assist the governments of Indonesia and Sri Lanka in diagnostics to assess the potential for using country safeguards at the agency level. At the request of the Sri Lanka Roads Development Authority (RDA), ADB provided support in updating the RDA's safeguards implementation manuals.

Addressing the Concerns of People Affected by ADB Projects

ADB maintains an [Accountability Mechanism](#) to respond to people adversely affected by projects the bank supports. It received 25 complaints in 2020. In most of these, resettlement, compensation, and land acquisition were the main issues. Eleven of the complaints were found admissible for eligibility assessment and all requested problem-solving. Of these, two were determined to be eligible and are undergoing the resolution process, six were ineligible, and three are still undergoing eligibility assessment. In addition, ADB closed three complaints, for which facilitation was initiated in 2018—two in Mongolia and one in Georgia. No complaint was lodged for compliance review and a complaint was closed by the Compliance Review Panel in 2020.

Despite the pandemic, ADB used videoconferences with key stakeholders and other remote methods to monitor the implementation of remedial



ADB retained its first-place ranking among 47 development organizations in the 2020 Aid Transparency Index.

action to address complaints. Monitoring of an urban transport project in Georgia and a power development project in the Philippines is ongoing. The monitoring was extended because of delays in implementation of remedial actions due to COVID restrictions.

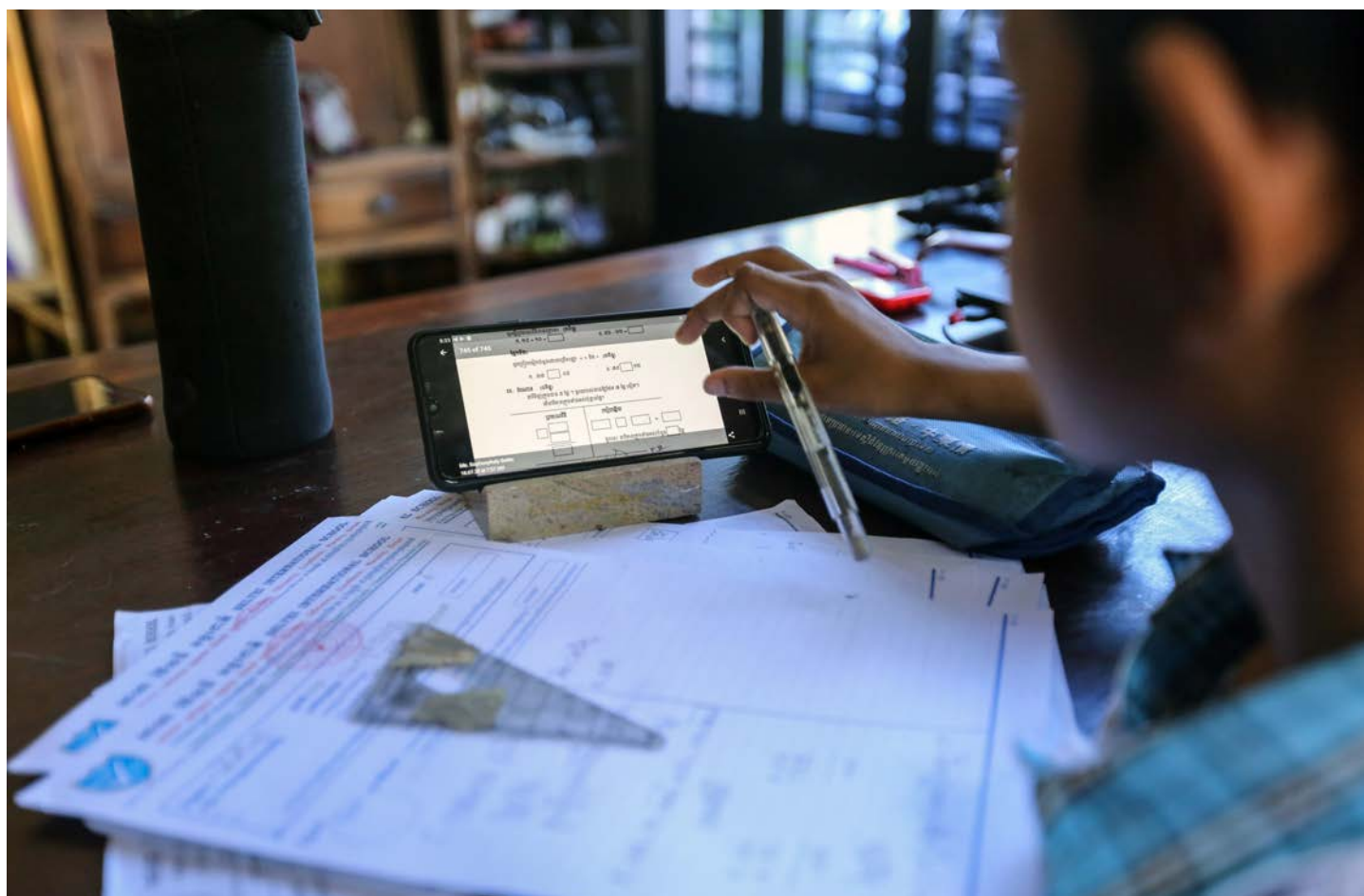
ADB developed a virtual training program that gives an integrated perspective on the Accountability Mechanism as a continuum of the safeguards policy at the bank, using a team of representatives from the Office of the Compliance Review Panel, the Office of the Special Project Facilitator, a regional department, and the department responsible for safeguards oversight. In July, this webinar series was piloted in India for ADB staff and executing and implementing agencies. In addition to discussing lessons learned from compliance review, problem-solving, and safeguards perspectives, the initiative highlighted the complementary role that ADB staff at headquarters and at resident missions play in ensuring safeguard compliance and accountability, including through proactive responses and problem-solving on complaints. ADB plans to replicate this training program in other DMCs.

Disclosure and Transparency

[ADB's Access to Information Policy](#) guides the bank's efforts to be transparent and accountable in its operations. In 2020, ADB proactively disclosed to the public 5,837 project documents.

The policy also aims to expand the public's ability to request information about ADB's operations and administration, and receive timely responses. In 2020, ADB received 4,498 formal requests for information. Of these, 3,437 (76%) were deemed valid. ADB acknowledged 77% of the valid requests within the required 7 days and responded to 86% within the required 30 days. ADB responded to 93% of the valid requests by the end of the year.

ADB retained its first-place ranking among 47 development organizations in the [2020 Aid Transparency Index](#), with a score of 98. The index is an independent measurement of aid transparency by the nongovernment organization Publish What You Fund.



A student joins lessons through distance learning in Phnom Penh, Cambodia.

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Appendix 1: Commitments by Country, 2020 (\$ million)

Country	Loans, Grants, and Others							Technical Assistance ^a	Cofinancing ^b					Total
	Regular OCR		Concessional OCR	ADF Grant	Other SF	TFP, SCFP, and MFP Subtotal			Project	TA	TFP, SCFP, and MFP Subtotal			
	Sovereign	Nonsovereign											TAS	
Afghanistan	-	10.0	-	316.7	-	-	326.7	10.5	368.0	2.4	-	-	370.4	707.6
Armenia	-	35.0	-	-	2.0	25.4	62.4	4.7	25.0	1.3	34.9	-	61.2	128.3
Azerbaijan	-	-	-	-	-	-	-	4.4	75.0	1.2	-	-	76.2	80.6
Bangladesh	876.1	123.3	732.0	-	3.0	781.9	2,516.3	14.5	1,213.6	4.7	517.2	-	1,735.5	4,266.2
Bhutan	-	-	88.5	10.0	2.0	-	100.5	5.6	3.0	2.5	-	-	5.5	111.6
Brunei Darussalam	-	-	-	-	-	-	-	-	-	0.4	-	-	0.4	0.4
Cambodia	-	-	477.2	-	-	-	477.2	6.4	301.2	4.6	-	-	305.8	789.3
China, People's Republic of	2,012.5	405.7	-	-	-	44.5	2,462.8	13.1	784.3	2.7	121.6	-	908.5	3,384.4
Cook Islands	30.8	-	-	-	1.0	-	31.8	4.2	29.9	1.7	-	-	31.6	67.6
Federated States of Micronesia	-	-	-	32.8	1.5	-	34.3	3.2	-	0.9	-	-	0.9	38.3
Fiji	200.0	-	-	-	2.4	-	202.4	6.0	52.2	1.5	-	-	53.7	262.1
Georgia	533.1	24.0	-	-	2.5	24.7	584.4	6.2	65.0	0.9	72.5	-	138.4	728.9
India	3,921.0	356.1	-	-	-	155.0	4,432.1	21.5	1,548.4	7.5	155.0	-	1,710.9	6,164.5
Indonesia	3,407.9	15.0	-	-	3.0	0.4	3,426.4	7.2	3,210.3	10.8	0.4	-	3,221.6	6,655.2
Kazakhstan	1,227.6	-	-	-	3.0	-	1,230.6	8.5	750.0	4.4	-	-	754.4	1,993.5
Kiribati	-	-	-	41.0	1.5	-	42.5	3.1	77.3	2.4	-	-	79.7	125.3
Korea, Republic of	-	-	-	-	-	-	-	-	-	0.4	-	-	0.4	0.4
Kyrgyz Republic	-	-	35.0	38.0	-	0.9	73.9	5.4	-	1.1	-	-	1.1	80.3
Lao People's Democratic Republic	-	-	20.0	-	-	-	20.0	6.7	24.7	2.2	-	-	26.9	53.6
Malaysia	-	-	-	-	-	25.1	25.1	0.3	-	0.8	25.1	-	25.9	51.3
Maldives	-	-	71.0	62.9	1.5	-	135.4	3.9	97.4	0.5	-	-	97.9	237.2
Marshall Islands	-	-	-	36.5	1.0	-	37.5	2.7	-	1.0	-	-	1.0	41.2
Mongolia	239.8	15.1	131.5	-	2.5	19.7	408.6	8.8	138.2	7.1	0.7	-	146.0	563.4
Myanmar	-	-	1,115.1	-	-	-	1,115.1	8.5	299.8	27.5	-	-	327.2	1,450.8
Nauru	-	-	-	5.0	1.0	-	6.0	2.6	0.3	1.2	-	-	1.5	10.1
Nepal	-	-	846.0	10.0	3.0	2.2	861.2	9.6	35.0	7.2	0.0	-	42.2	912.9
Niue	-	-	-	-	0.5	-	0.5	1.7	-	0.8	-	-	0.8	2.9
Pakistan	1,059.8	-	673.5	-	2.0	803.6	2,538.9	13.0	1,469.0	3.5	385.8	-	1,858.3	4,410.2
Palau	20.0	-	25.0	-	1.0	-	46.0	3.0	3.0	0.9	-	-	3.9	52.9
Papua New Guinea	450.0	-	81.0	-	3.0	-	534.0	8.3	1.1	8.0	-	-	9.1	551.4
Philippines	4,205.3	-	-	-	3.0	0.1	4,208.5	17.9	1,528.3	10.0	0.1	-	1,538.4	5,764.8
Samoa	-	-	-	70.0	1.5	0.2	71.7	4.4	-	2.4	-	-	2.4	78.6
Singapore	-	-	-	-	-	-	-	-	-	0.4	-	-	0.4	0.4
Solomon Islands	-	-	10.0	15.0	1.5	-	26.5	3.0	15.0	1.1	-	-	16.1	45.6
Sri Lanka	565.0	-	-	-	3.0	358.3	926.3	7.6	1.3	2.5	819.8	-	823.5	1,757.4
Tajikistan	-	-	-	317.5	2.5	-	320.0	4.9	26.5	0.8	-	-	27.3	352.2
Thailand	1,500.0	57.7	-	-	-	1.1	1,558.8	2.3	51.5	3.1	1.1	-	55.8	1,616.9
Timor-Leste	-	-	-	-	1.0	-	1.0	4.8	3.0	0.6	-	-	3.6	9.4
Tonga	-	-	-	22.2	0.7	-	22.9	2.5	18.6	2.3	-	-	20.9	46.3
Turkmenistan	-	-	-	-	-	-	-	2.9	-	0.7	-	-	0.7	3.6
Tuvalu	-	-	-	8.0	1.0	-	9.0	2.9	-	1.5	-	-	1.5	13.4
Uzbekistan	1,068.2	10.0	126.0	-	3.0	164.7	1,371.9	8.2	276.8	2.7	105.5	-	385.1	1,765.2
Vanuatu	-	-	-	31.6	2.5	-	34.1	3.5	-	2.1	-	-	2.1	39.6
Viet Nam	-	75.2	-	-	2.5	660.9	738.6	4.1	226.0	3.9	1,032.3	-	1,262.1	2,004.8
Regional ^c	-	278.8	-	-	-	-	278.8	31.1	156.1	39.6	-	76.0	271.7	581.5
Total ADB	21,317.2	1,405.9	4,431.8	1,017.1	59.6	3,068.8	31,300.3	293.6	12,874.7	185.8	3,272.0	76.0	16,408.4	48,002.3

ADB = Asian Development Bank, ADF = Asian Development Fund, MFP = Microfinance Program, OCR = ordinary capital resources, SCFP = Supply Chain Finance Program, SF = special funds, TA = technical assistance, TAS = Transaction Advisory Service, TFP = Trade Finance Program.

Notes:

1. Commitment is the financing approved by the ADB Board of Directors or Management for which the investment 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. In the case of official and commercial cofinancing not administered by ADB for which the signed amount is not readily available, the approved amount is used.

2. Numbers may not sum precisely because of rounding.

^a Refers to Technical Assistance Special Fund and other SF.

^b Including trust funds.

^c Regional includes nonsovereign operations which involve two or more countries. Regional technical assistance is distributed to respective countries except for regional research and regional training benefiting all members.

Appendix 2: Loans and Grants Committed, 2020

Regular Ordinary Capital and Concessional Resources Commitments (\$ million)

Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
A. SOVEREIGN OPERATIONS		21,317.2	4,431.8	1,017.1	26,766.1	13,096.1
Central and West Asia		3,888.7	834.5	672.2	5,395.4	3,041.6
Afghanistan		-	-	316.7	316.7	140.0
Energy Supply Improvement Investment Program – Tranche 6	MFF	-	-	110.0	110.0	-
Energy Supply Improvement Investment Program – Tranche 7	MFF	-	-	36.4	36.4	-
Panj-Amu River Basin Sector – Additional Financing	Project	-	-	18.3	18.3	-
Road Rehabilitation and Maintenance Program	PRF	-	-	12.0	12.0	-
Emergency Assistance for COVID-19 Pandemic Response	Project	-	-	40.0	40.0	40.0
COVID-19 Active Response and Expenditure Support Program	CPRO	-	-	100.0	100.0	100.0
Georgia		533.1	-	-	533.1	304.0
Sustainable Water Supply and Sanitation Sector Development Program	SDP	157.2	-	-	157.2	-
Modern Skills for Better Jobs Sector Development Program (Subprogram 1)	SDP	72.0	-	-	72.0	-
COVID-19 Active Response and Expenditure Support Program	CPRO	102.2	-	-	102.2	102.2
Fiscal Resilience and Social Protection Support Program (Subprogram 1)	PBL	201.7	-	-	201.7	201.7
Kazakhstan		1,227.6	-	-	1,227.6	1,077.6
Central Asia Regional Economic Cooperation Corridors 1 and 6 Connector Road (Aktobe–Kandygash) Reconstruction	Project	150.0	-	-	150.0	-
COVID-19 Active Response and Expenditure Support Program	CPRO	1,077.6	-	-	1,077.6	1,077.6
Kyrgyz Republic		-	35.0	38.0	73.0	70.0
Osh–Plotina Water Treatment Plant Chlorine Neutralization Unit	SEFF	-	-	0.5	0.5	-
Naryn Program Readiness	SEFF	-	-	2.5	2.5	-
COVID-19 Active Response and Expenditure Support Program	CPRO	-	25.0	25.0	50.0	50.0
COVID-19 Pandemic Emergency	Project	-	10.0	10.0	20.0	20.0
Pakistan		1,059.8	673.5	-	1,733.3	800.0
Karachi Bus Rapid Transit Red Line	Project	235.0	-	-	235.0	-
Sindh Secondary Education Improvement	Project	-	75.0	-	75.0	-
Punjab Water Resources Management Projects	PRF	-	8.3	-	8.3	-
Trade and Competitiveness Program (Subprogram 2)	PBL	-	300.0	-	300.0	-
Punjab Urban Development Projects	PRF	15.0	-	-	15.0	-
Third Capital Market Development Program (Subprogram 1)	PBL	9.8	290.2	-	300.0	-
Emergency Assistance for Fighting the COVID-19 Pandemic	Project	300.0	-	-	300.0	300.0
COVID-19 Active Response and Expenditure Support Program	CPRO	500.0	-	-	500.0	500.0
Tajikistan		-	-	317.5	317.5	50.0
Water Resources Management in the Pyanj River Basin – Second Additional Financing	Project	-	-	15.0	15.0	-
Skills and Employability Enhancement	Project	-	-	30.0	30.0	-
Financial Sector and Fiscal Management Improvement Program (Subprogram 1)	PBL	-	-	50.0	50.0	-
Power Sector Development Program	SDP	-	-	105.0	105.0	-
Road Network Sustainability	Project	-	-	67.5	67.5	-
COVID-19 Active Response and Expenditure Support Program	CPRO	-	-	50.0	50.0	50.0
Uzbekistan		1,068.2	126.0	-	1,194.2	600.0
Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road (A380 Kungrad to Daut-Ata Section)	Project	248.2	26.0	-	274.2	-
Sustainable Hydropower	Project	60.0	-	-	60.0	-
Sustainable Solid-Waste Management	Project	60.0	-	-	60.0	-
COVID-19 Active Response and Expenditure Support Program	CPRO	500.0	-	-	500.0	500.0
Power Sector Reform Program (Subprogram 1)	PBL	200.0	-	-	200.0	-
COVID-19 Emergency Response	SAL	-	100.0	-	100.0	100.0
East Asia		2,252.3	131.5	-	2,383.8	156.3
China, People's Republic of		2,012.5	-	-	2,012.5	-
Multimodal Passenger Hub and Railway Maintenance	Project	120.0	-	-	120.0	-
Heilongjiang Green Urban and Economic Revitalization – Additional Financing	Project	150.2	-	-	150.2	-
Chongqing Innovation and Human Capital Development	Project	212.4	-	-	212.4	-
Jilin Yanji Low-Carbon Climate-Resilient Healthy City	Project	127.3	-	-	127.3	-
Inner Mongolia Sustainable Cross-Border Development Investment Program – Tranche 1	MFF	201.6	-	-	201.6	-
Jiangxi Shangrao Early Childhood Education Demonstration Program	RBL	100.0	-	-	100.0	-

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Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
Air Quality Improvement in the Greater Beijing–Tianjin–Hebei Region–Henan Cleaner Fuel Switch Investment Program	RBL	294.6	-	-	294.6	-
Henan Dengzhou Integrated River Restoration and Ecological Protection	Project	198.5	-	-	198.5	-
Yunnan Sayu River Basin Rural Water Pollution Management and Eco-Compensation Demonstration	Project	100.0	-	-	100.0	-
Anhui Huangshan Xin'an River Ecological Protection and Green Development	Project	101.4	-	-	101.4	-
Xiangtan Low-Carbon Transformation Sector Development Program	SDP	200.0	-	-	200.0	-
Bank of Xingtai Green Finance Development	Project	206.6	-	-	206.6	-
Mongolia		239.8	131.5	-	371.3	156.3
Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 3	MFF	25.1	19.6	-	44.7	-
Fifth Health Sector Development – Additional Financing	SAL	-	29.9	-	29.9	29.9
Developing the Economic Cooperation Zone	Project	-	30.3	-	30.3	-
Vegetable Production and Irrigated Agriculture	Project	14.7	25.3	-	40.0	-
First Utility-Scale Energy Storage	Project	100.0	-	-	100.0	-
COVID-19 Rapid Response Program	CPRO	100.0	-	-	100.0	100.0
Shock-Responsive Social Protection	EAL	-	26.4	-	26.4	26.4
Pacific		700.8	116.0	262.0	1,078.8	625.5
Cook Islands		30.8	-	-	30.8	30.8
Disaster Resilience Program (Phase 2)	CDF	9.7	-	-	9.7	9.7
COVID-19 Active Response and Economic Support Program	CPRO	21.1	-	-	21.1	21.1
Federated States of Micronesia		-	-	32.8	32.8	20.0
Pacific Disaster Resilience Program (Phase 3)	CDF	-	-	6.0	6.0	6.0
Chuuk Water Supply and Sanitation	Project	-	-	12.8	12.8	-
Health Expenditure and Livelihoods Support Program	CPRO	-	-	14.0	14.0	14.0
Fiji		200.0	-	-	200.0	100.0
Sustained Private Sector-Led Growth Reform Program (Subprogram 3)	PBL	200.0	-	-	200.0	100.0
Kiribati		-	-	41.0	41.0	8.0
South Tarawa Renewable Energy	Project	-	-	8.0	8.0	-
South Tarawa Water Supply	Project	-	-	13.0	13.0	-
Pacific Disaster Resilience Program (Phase 3)	CDF	-	-	8.0	8.0	8.0
Outer Islands Transport Infrastructure Investment	Project	-	-	12.0	12.0	-
Marshall Islands		-	-	36.5	36.5	23.6
Ebeye Water Supply and Sanitation – Additional Financing	Project	-	-	3.0	3.0	-
Pacific Disaster Resilience Program (Phase 3)	CDF	-	-	6.0	6.0	6.0
Ebeye Solid Waste Management	Project	-	-	6.5	6.5	1.5
Preparing Urban Service Improvement Projects	PRF	-	-	5.0	5.0	0.1
Health Expenditure and Livelihoods Support Program	CPRO	-	-	16.0	16.0	16.0
Nauru		-	-	5.0	5.0	-
Improving Public Investment Management Program	PBL	-	-	5.0	5.0	-
Palau		20.0	25.0	-	45.0	40.0
Pacific Disaster Resilience Program (Phase 3)	CDF	20.0	-	-	20.0	20.0
Palau Public Utilities Corporation Reform Program (Subprogram 1)	PBL	-	5.0	-	5.0	-
Health Expenditure and Livelihoods Support Program	CPRO	-	20.0	-	20.0	20.0
Papua New Guinea		450.0	81.0	-	531.0	300.0
Health Services Sector Development Program (Subprogram 3)	PBL	100.0	50.0	-	150.0	50.0
Transport Sector Preparatory Project	PRF	-	31.0	-	31.0	-
State-Owned Enterprises Reform Program (Subprogram 1)	PBL	100.0	-	-	100.0	-
COVID-19 Rapid Response Program	CPRO	250.0	-	-	250.0	250.0
Samoa		-	-	70.0	70.0	30.0
Pacific Disaster Resilience Program (Phase 3)	CDF	-	-	10.0	10.0	10.0
Central Cross Island Road Upgrading	Project	-	-	40.0	40.0	-
Health Expenditure and Livelihoods Support Program	CPRO	-	-	20.0	20.0	20.0
Solomon Islands		-	10.0	15.0	25.0	25.0
Pacific Disaster Resilience Program (Phase 3)	CDF	-	-	5.0	5.0	5.0
COVID-19 Rapid Response Program	CPRO	-	10.0	10.0	20.0	20.0
Tonga		-	-	22.2	22.2	22.2
Pacific Disaster Resilience Program (Phase 3)	CDF	-	-	10.0	10.0	10.0
Strengthening Macroeconomic Resilience Program	PBL	-	-	12.2	12.2	12.2
Tuvalu		-	-	8.0	8.0	4.0
Pacific Disaster Resilience Program (Phase 3)	CDF	-	-	4.0	4.0	4.0
Funafuti Water and Sanitation	PRF	-	-	4.0	4.0	-

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Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
Vanuatu		-	-	31.6	31.6	21.9
Pacific Disaster Resilience Program (Phase 3)	CDF	-	-	5.0	5.0	5.0
Greater Port Vila Urban Resilience	Project	-	-	9.6	9.6	-
COVID-19 Fiscal Response Program	CPRO	-	-	16.9	16.9	16.9
South Asia		5,362.1	1,737.5	82.9	7,182.5	2,835.0
Bangladesh		876.1	732.0	-	1,608.1	650.0
South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road (Phase 2) – Tranche 2	MFF	406.1	-	-	406.1	-
Rural Connectivity Improvement – Additional Financing	Project	-	100.0	-	100.0	-
Khulna Sewerage System Development	Project	50.0	110.0	-	160.0	-
Bangladesh Power System Enhancement and Efficiency Improvement – Additional Financing	Project	70.0	130.0	-	200.0	-
Transport Connectivity Improvement Preparatory Facility	PRF	-	42.0	-	42.0	-
Microenterprise Development – Additional Financing	Project	50.0	-	-	50.0	50.0
Strengthening Bangladesh Infrastructure Finance Fund Limited	Project	50.0	-	-	50.0	-
COVID-19 Response Emergency Assistance	SAL	-	100.0	-	100.0	100.0
COVID-19 Active Response and Expenditure Support Program	CPRO	250.0	250.0	-	500.0	500.0
Bhutan		-	88.5	10.0	98.5	20.0
Phuentsholing Township Development – Additional Financing	Project	-	18.5	10.0	28.5	-
Financial Market Development Program (Subprogram 2)	PBL	-	30.0	-	30.0	-
Rural Finance Development	Project	-	20.0	-	20.0	-
COVID-19 Active Response and Expenditure Support Program	CPRO	-	20.0	-	20.0	20.0
India		3,921.0	-	-	3,921.0	1,500.0
Rajasthan Secondary Towns Development Sector	Project	300.0	-	-	300.0	-
Madhya Pradesh Urban Services Improvement – Additional Financing	Project	270.0	-	-	270.0	-
Assam Power Sector Investment Program – Tranche 3	MFF	231.0	-	-	231.0	-
Maharashtra Rural High Voltage Distribution System Expansion Program	RBL	346.0	-	-	346.0	-
Delhi-Meerut Regional Rapid Transit System Investment – Tranche 1	MFF	500.0	-	-	500.0	-
Meghalaya Power Distribution Sector Improvement	Project	132.8	-	-	132.8	-
Uttar Pradesh Power Distribution Network Rehabilitation – Tranche 1	MFF	300.0	-	-	300.0	-
Maharashtra State Road Improvement	Project	177.0	-	-	177.0	-
Himachal Pradesh Subtropical Horticulture, Irrigation, and Value Addition Readiness	PRF	10.0	-	-	10.0	-
Bengaluru Smart Energy Efficient Power Distribution	Project	100.0	-	-	100.0	-
Tripura Urban and Tourism Development	PRF	4.2	-	-	4.2	-
West Bengal Public Finance Management Reforms Program	PBL	50.0	-	-	50.0	-
COVID-19 Active Response and Expenditure Support Program	CPRO	1,500.0	-	-	1,500.0	1,500.0
Maldives		-	71.0	62.9	133.9	50.0
Preparing Outer Islands for Sustainable Energy Development – Additional Financing	Project	-	7.8	2.7	10.5	-
Greater Malé Waste-to-Energy	Project	-	38.2	35.2	73.4	-
COVID-19 Active Response and Expenditure Support Program	CPRO	-	25.0	25.0	50.0	50.0
Nepal		-	846.0	10.0	856.0	250.0
Civil Aviation Sector Improvement Program	PBL	-	50.0	-	50.0	-
South Asia Subregional Economic Cooperation Airport Capacity Enhancement	Project	-	150.0	-	150.0	-
South Asia Subregional Economic Cooperation Power Transmission and Distribution System Strengthening	Project	-	200.0	-	200.0	-
Priority River Basins Flood Risk Management	Project	-	40.0	10.0	50.0	-
Electricity Grid Modernization	Project	-	156.0	-	156.0	-
COVID-19 Active Response and Expenditure Support Program	CPRO	-	250.0	-	250.0	250.0
Sri Lanka		565.0	-	-	565.0	365.0
Small and Medium-Sized Enterprises Line of Credit – Third Additional Financing	Project	165.0	-	-	165.0	165.0
Secondary Education Sector Improvement Program	RBL	400.0	-	-	400.0	200.0
Southeast Asia		9,113.3	1,612.2	-	10,725.5	6,437.7
Cambodia		-	477.2	-	477.2	250.0
Agricultural Value Chain Competitiveness and Safety Enhancement	Project	-	70.0	-	70.0	-
Second Decentralized Public Service and Financial Management Sector Development Program (Subprogram 1)	SDP	-	29.4	-	29.4	-

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Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
Grid Reinforcement	Project	-	127.8	-	127.8	-
COVID-19 Active Response and Expenditure Support Program	CPRO	-	250.0	-	250.0	250.0
Indonesia		3,407.9	-	-	3,407.9	2,007.9
Sustainable Energy Access in Eastern Indonesia — Electricity Grid Development Program (Phase 2)	RBL	600.0	-	-	600.0	-
Promoting Innovative Financial Inclusion Program (Subprogram 1)	PBL	500.0	-	-	500.0	-
Geothermal Power Generation	Project	300.0	-	-	300.0	-
Disaster Resilience Improvement Program	CDF	500.0	-	-	500.0	500.0
COVID-19 Active Response and Expenditure Support Program	CPRO	1,507.9	-	-	1,507.9	1,507.9
Lao People's Democratic Republic		-	20.0	-	20.0	20.0
Greater Mekong Subregion Health Security – Additional Financing	Project	-	20.0	-	20.0	20.0
Myanmar		-	1,115.1	-	1,115.1	280.0
Greater Mekong Subregion Health Security – Additional Financing	Project	-	30.0	-	30.0	30.0
Second Greater Mekong Subregion Highway Modernization	Project	-	483.8	-	483.8	-
Yangon City Water Resilience	Project	-	180.0	-	180.0	-
Accelerated Rural Electrification	Project	-	171.3	-	171.3	-
COVID-19 Active Response and Expenditure Support Program	CPRO	-	250.0	-	250.0	250.0
Philippines		4,205.3	-	-	4,205.3	2,379.8
Social Protection Support – Second Additional Financing	Project	200.0	-	-	200.0	200.0
Angat Water Transmission Improvement – Additional Financing	Project	126.0	-	-	126.0	-
Epifanio de los Santos Avenue Greenways	Project	123.0	-	-	123.0	-
Inclusive Finance Development Program (Subprogram 2)	PBL	300.0	-	-	300.0	-
Local Governance Reform	Project	26.5	-	-	26.5	-
Expanded Social Assistance	Project	500.0	-	-	500.0	-
Support to Capital Market-Generated Infrastructure Financing Program (Subprogram 1)	PBL	400.0	-	-	400.0	-
Competitive and Inclusive Agriculture Development Program (Subprogram 1)	PBL	400.0	-	-	400.0	50.0
Disaster Resilience Improvement Program	CDF	500.0	-	-	500.0	500.0
COVID-19 Active Response and Expenditure Support Program	CPRO	1,504.8	-	-	1,504.8	1,504.8
Health System Enhancement to Address and Limit COVID-19	Project	125.0	-	-	125.0	125.0
Thailand		1,500.0	-	-	1,500.0	1,500.0
COVID-19 Active Response and Expenditure Support Program	CPRO	1,500.0	-	-	1,500.0	1,500.0
B. NONSOVEREIGN OPERATIONS		4,474.7	-	-	4,474.7	2,861.4
Afghanistan		10.0	-	-	10.0	-
Mazar Gas-Fired Power	Loan	10.0	-	-	10.0	-
Armenia		60.4	-	-	60.4	39.9
COVID-19 Working Capital Support	Loan	20.0	-	-	20.0	20.0
Increasing Gender-Inclusive Lending to Micro, Small, and Medium-Sized Enterprises	Loan	15.0	-	-	15.0	-
Trade Finance Program	TFP	25.4	-	-	25.4	19.9
Bangladesh		905.1	-	-	905.1	623.6
Reliance Bangladesh Liquefied Natural Gas and Power	Loan	100.0	-	-	100.0	-
Spectra Solar Power	Loan	13.3	-	-	13.3	-
Emergency Working Capital Support to Dairy Value Chain	Loan	10.0	-	-	10.0	10.0
Trade Finance Program	TFP	781.8	-	-	781.8	613.6
Supply Chain Finance Program	SCFP	0.0	-	-	0.0	-
China, People's Republic of		450.2	-	-	450.2	193.4
Climate-Resilient and Smart Urban Water Infrastructure	Loan	105.4	-	-	105.4	-
New Energy Bus Leasing	Loan	80.0	-	-	80.0	-
Solar Energy Finance	Loan	70.0	-	-	70.0	-
COVID-19 Emergency Response	Loan	18.5	-	-	18.5	18.5
Jointown COVID-19 Pharmaceutical Distribution Expansion	Loan	36.7	-	-	36.7	36.7
COVID-19 Emergency Energy Supply	Loan	20.0	-	-	20.0	20.0
Far East Horizon Health Care Finance in Rural Areas for COVID-19 Response	Loan	75.0	-	-	75.0	75.0
Supply Chain Finance Program	SCFP	44.5	-	-	44.5	43.2
Georgia		48.7	-	-	48.7	28.0
Credo COVID-19 Support for Agriculture Borrowers	Loan	4.0	-	-	4.0	4.0
Georgian Green Bond (Debt Financing)	Debt	20.0	-	-	20.0	-
Trade Finance Program	Security TFP	24.7	-	-	24.7	24.0

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Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
India		511.1	-	-	511.1	208.4
Northern Arc COVID-19 Livelihood Support (Debt Financing)	Debt Security	40.0	-	-	40.0	40.0
Avaada Solar Phase 2 (Debt Financing)	Debt Security	7.5	-	-	7.5	-
Supporting Access to Housing Finance for Women in Lower-Income Groups and in Lagging States (Debt Financing)	Debt Security	60.0	-	-	60.0	-
NIIF Fund of Funds-I	Equity	100.0	-	-	100.0	-
Gujarat Solar Power	Loan	62.4	-	-	62.4	-
ReNew Power COVID-19 Liquidity Support (Debt Financing)	Debt Security	50.9	-	-	50.9	50.9
Sustaining Poultry Farmer Income and Food Security (Debt Financing)	Debt Security	15.0	-	-	15.0	15.0
Azure Power COVID-19 Liquidity Support (Debt Financing)	Debt Security	20.3	-	-	20.3	20.3
Supply Chain Finance Program	SCFP	7.6	-	-	7.6	-
Microfinance Program	MFP	147.3	-	-	147.3	82.2
Indonesia		15.4	-	-	15.4	15.2
Dairy Farmer Support and Food Security	Loan	15.0	-	-	15.0	15.0
Supply Chain Finance Program	SCFP	0.4	-	-	0.4	0.2
Kyrgyz Republic		0.9	-	-	0.9	-
Trade Finance Program	TFP	0.9	-	-	0.9	-
Malaysia		25.1	-	-	25.1	18.5
Supply Chain Finance Program	SCFP	25.1	-	-	25.1	18.5
Mongolia		34.9	-	-	34.9	26.1
Gender Inclusive Dairy Value Chain	Loan	0.1	-	-	0.1	-
Tavan Bogd COVID-19 Wheat Supply Chain Liquidity Support	Loan	15.0	-	-	15.0	15.0
Trade Finance Program	TFP	19.7	-	-	19.7	11.1
Nepal		2.2	-	-	2.2	2.0
Trade Finance Program	TFP	2.2	-	-	2.2	2.0
Pakistan		803.6	-	-	803.6	680.6
Trade Finance Program	TFP	803.6	-	-	803.6	680.6
Philippines		0.1	-	-	0.1	-
Supply Chain Finance Program	SCFP	0.1	-	-	0.1	-
Regional		278.8	-	-	278.8	93.8
Asian Sustainable Infrastructure Mobilization	Equity	50.0	-	-	50.0	-
Follow-on Investment in OrbiMed Asia Partners IV, L.P.	Equity	75.0	-	-	75.0	-
Navegar II L.P.	Equity	10.0	-	-	10.0	-
Olam COVID-19 Smallholder Farmer Livelihood Support	Loan	93.8	-	-	93.8	93.8
Indorama Ventures Regional Blue Loan	Loan	50.0	-	-	50.0	-
Samoa		0.2	-	-	0.2	0.2
Trade Finance Program	TFP	0.2	-	-	0.2	0.2
Sri Lanka		358.3	-	-	358.3	271.1
Trade Finance Program	TFP	353.8	-	-	353.8	267.3
Supply Chain Finance Program	SCFP	4.5	-	-	4.5	3.8
Thailand		58.8	-	-	58.8	-
Southern Thailand Wind Power and Battery Energy Storage	Loan	7.3	-	-	7.3	-
Green Loan for Renewable Energy and Electric Vehicle Charging Network	Loan	50.4	-	-	50.4	-
Supply Chain Finance Program	SCFP	1.1	-	-	1.1	-
Uzbekistan		174.7	-	-	174.7	126.9
Navoi Solar Power	Loan	10.0	-	-	10.0	-
Trade Finance Program	TFP	164.7	-	-	164.7	126.9
Viet Nam		736.1	-	-	736.1	533.8
Gulf Solar Power	Loan	11.3	-	-	11.3	-
B.Grimm Viet Nam Solar Power (Phu Yen)	Loan	27.9	-	-	27.9	-
Mekong Enterprise Fund IV L.P.	Equity	20.0	-	-	20.0	-
Binh Duong Water Treatment Expansion	Loan	8.0	-	-	8.0	-
Imexpharm COVID-19 Generic Pharmaceutical	Loan	8.0	-	-	8.0	8.0
Trade Finance Program	TFP	659.8	-	-	659.8	524.7
Supply Chain Finance Program	SCFP	1.1	-	-	1.1	1.1
TOTAL		25,791.8	4,431.8	1,017.1	31,240.7	15,957.5

ADF = Asian Development Fund, CDF = contingent disaster financing, CPRO = COVID-19 Pandemic Response Option, EAL = emergency assistance loan, MFF = multitranch financing facility, MFP = Microfinance Program, OCR = ordinary capital resources, PBL = policy-based lending, PRF = project readiness facility, RBL = results-based lending, SAL = special assistance loan, SCFP = Supply Chain Finance Program, SDP = sector development program, SEFF = small expenditure financing facility, TFP = Trade Finance Program.

Notes:

1. Commitment is the financing approved by the ADB Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB. Figures are based on US dollar equivalent at time of signing.
2. Numbers may not sum precisely because of rounding.

Appendix 3: Approvals, 2016–2020 (\$ million)

Item	2016 ^a	2017 ^a	2018 ^a	2019 ^a	2020	
	Total	Total	Total	Total	Total	COVID-19 Response
Loans, Grants, and Others						
By Source						
Regular Ordinary Capital Resources	13,911	16,584	14,105	15,761	23,485	12,847
Loans	13,369 ^b	15,764 ^c	13,342 ^d	15,421 ^e	22,219 ^f	11,787 ^g
Equity Investments	27	390	235	290	200	-
Guarantees	515	330	78	50	5	-
Trade Finance Program	-	-	350	-	800	800
Supply Chain Finance Program	-	-	100	-	-	-
Microfinance Program	-	100	-	-	260	260
Concessional Resources	3,066	2,267	5,205	3,522	5,492	1,881
Loans	2,549	1,715	4,165	2,679	4,440	1,486
Grants	518	551	1,040	843	1,052	395
Special Funds ^h	9	2	6	-	64	58
Grants	9	2	6	-	64	58
Subtotal (A)	16,986	18,853	19,316	19,283	29,041	14,787
By Operations						
Sovereign	14,625	15,799	15,642	17,642	26,331	13,110
Loans	13,598	15,246	14,596	16,800	25,215	12,656
Guarantees	500	-	-	-	-	-
Grants	527	553	1,046	843	1,116	453
Nonsovereign	2,361	3,054	3,674	1,641	2,710	1,677
Loans	2,320 ^b	2,234 ^c	2,911 ^d	1,301 ^e	1,444 ^f	617 ^g
Equity Investments	27	390	235	290	200	-
Guarantees	15	330	78	50	5	-
Trade Finance Program	-	-	350	-	800	800
Supply Chain Finance Program	-	-	100	-	-	-
Microfinance Program	-	100	-	-	260	260
Subtotal (A)	16,986	18,853	19,316	19,283	29,041	14,787
Technical Assistance						
Sovereign	162	196	200	220	282	128
Nonsovereign	7	9	15	17	12	6
Subtotal (B)	169	205	215	237	294	134
TOTAL ADB OPERATIONS (A + B)	17,155	19,058	19,531	19,520	29,335	14,920
Cofinancing Including Trust Funds						
Sovereign	8,099 ⁱ	3,585 ^j	6,144 ^k	5,687 ^l	11,429	8,689
Trust Funds Administered by ADB	402	143	151	168	281	20
Bilateral	3,288	1,899	1,917	3,688	4,711	3,319
Multilateral	4,099	994	3,357	1,829	6,437	5,350
Others ^m	311	548	720	1	0	0
Nonsovereign ⁿ	3,884	2,882	3,351	3,517	1,809	158
Trade Finance, Supply Chain Finance and Microfinance Programs	1,952	3,039	3,992	3,693	3,272	2,496
Transaction Advisory Service	-	-	405	113	76	-
TOTAL COFINANCING	13,935	9,506	13,892	13,009	16,587	11,343

- = nil. Note: Numbers may not sum precisely because of rounding.

^a Excludes terminated loans, grants, equities, guarantees and technical assistance.

^b Includes \$225 million classified as debt securities in financial statements in accordance with accounting standards.

^c Includes \$300 million classified as debt securities in financial statements in accordance with accounting standards.

^d Includes \$20 million classified as debt securities in financial statements in accordance with accounting standards.

^e Includes \$357 million classified as debt securities in financial statements in accordance with accounting standards.

^f Includes \$210 million classified as debt securities in financial statements in accordance with accounting standards.

^g Includes \$182 million classified as debt securities in financial statements in accordance with accounting standards.

^h Special funds other than Asian Development Fund such as Asia Pacific Disaster Response Fund and Climate Change Fund.

ⁱ The 2016 adjusted figure is due to cancellation of \$41 million under sovereign cofinancing approvals for two projects, and additional \$30 million sovereign cofinancing for one project.

^j The 2017 adjusted figure is due to cancellation of \$220 million under sovereign cofinancing approvals for one project, and additional \$148 million sovereign cofinancing for one project.

^k The 2018 adjusted figure is due to additional \$34 million sovereign cofinancing for one project.

^l The 2019 adjusted figure is due to cancellation of \$56 million under sovereign cofinancing approvals for one project, and additional \$206 million sovereign cofinancing for three projects.

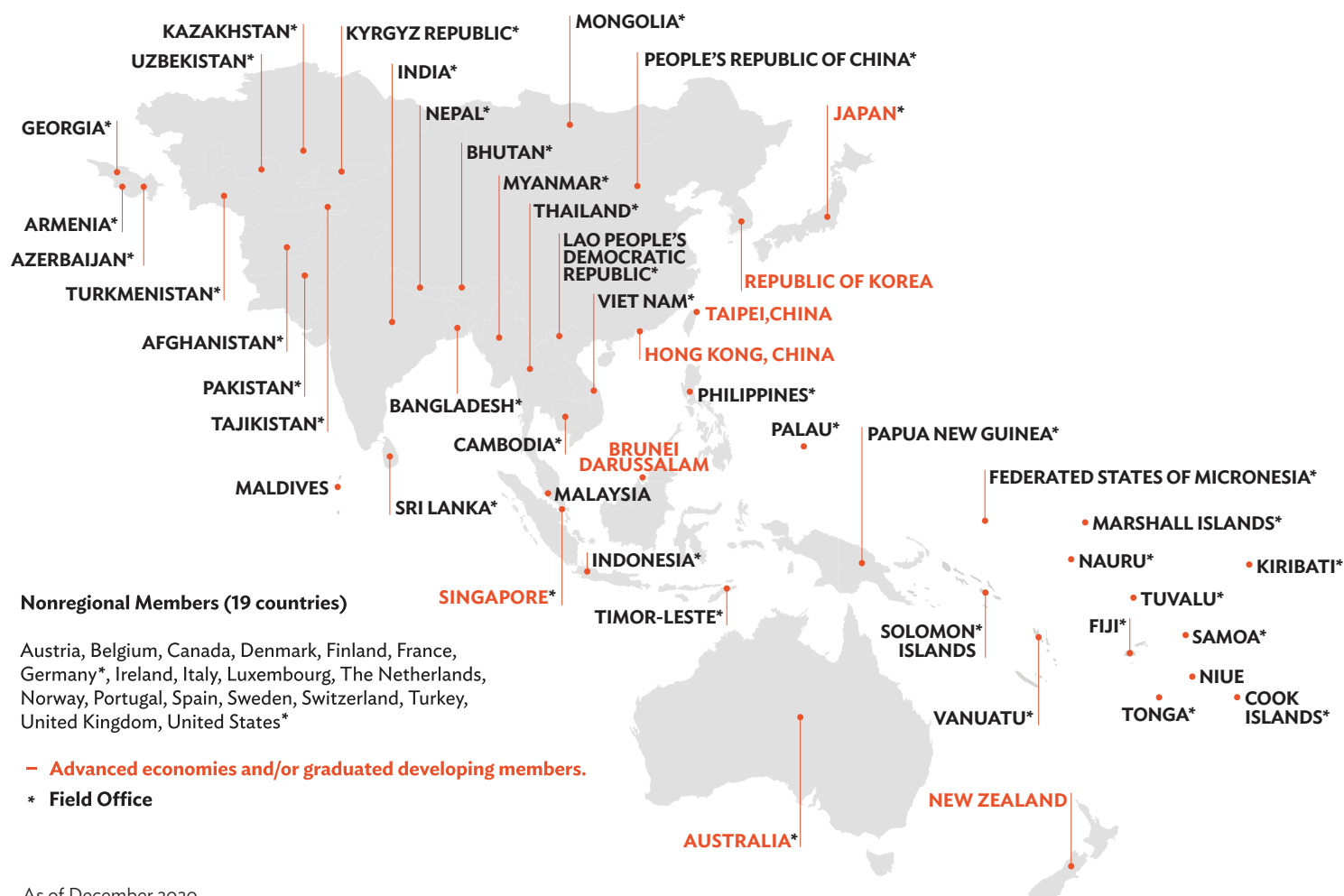
^m "Others" includes cofinancing for sovereign operations from other sources such as concessionaires, foundations, government entities, commercial banks, and sovereign wealth funds.

ⁿ Nonsovereign cofinancing includes commercial cofinancing such as B loans, risk transfers, and parallel loans, among others.

Approvals by Region, 2016–2020 (\$ million)

Region	2016	2017	2018	2019	2020	
	Total	Total	Total	Total	Total	COVID-19 Response
Central and West Asia	8,016	7,491	5,582	7,675	8,416	5,782
East Asia	3,064	4,071	3,849	3,078	3,515	610
Pacific	741	530	466	881	1,401	770
South Asia	7,889	7,957	10,816	9,118	12,764	5,677
Southeast Asia	11,185	7,281	11,415	10,796	18,144	12,173
Regional	194	1,234	1,295	981	1,682	1,251
TOTAL	31,091	28,564	33,423	32,529	45,921	26,263

Appendix 4: ADB Regional and Nonregional Members



Appendix 5: Members, Capital Stock, and Voting Power

(as of 31 December 2020)

	Year of Membership	Subscribed Capital ^a (% of total)	Voting Power ^b (% of total)
REGIONAL			
Afghanistan	1966	0.034	0.321
Armenia	2005	0.298	0.532
Australia	1966	5.773	4.913
Azerbaijan	1999	0.444	0.649
Bangladesh	1973	1.019	1.109
Bhutan	1982	0.006	0.299
Brunei Darussalam	2006	0.351	0.575
Cambodia	1966	0.049	0.334
China, People's Republic of	1986	6.429	5.437
Cook Islands	1976	0.003	0.296
Fiji	1970	0.068	0.348
Georgia	2007	0.341	0.567
Hong Kong, China	1969	0.543	0.729
India	1966	6.317	5.347
Indonesia	1966	5.434	4.641
Japan	1966	15.571	12.751
Kazakhstan	1994	0.805	0.938
Kiribati	1974	0.004	0.297
Korea, Republic of	1966	5.026	4.315
Kyrgyz Republic	1994	0.298	0.533
Lao People's Democratic Republic	1966	0.014	0.305
Malaysia	1966	2.717	2.468
Maldives	1978	0.004	0.297
Marshall Islands	1990	0.003	0.296
Micronesia, Federated States of	1990	0.004	0.297
Mongolia	1991	0.015	0.306
Myanmar	1973	0.543	0.729
Nauru	1991	0.004	0.297
Nepal	1966	0.147	0.411
New Zealand	1966	1.532	1.520
Niue	2019	0.001	0.295
Pakistan	1966	2.174	2.033
Palau	2003	0.003	0.297
Papua New Guinea	1971	0.094	0.369
Philippines	1966	2.377	2.196
Samoa	1966	0.003	0.297
Singapore	1966	0.340	0.566
Solomon Islands	1973	0.007	0.299
Sri Lanka	1966	0.579	0.757
Taipei, China	1966	1.087	1.164
Tajikistan	1998	0.286	0.523
Thailand	1966	1.358	1.381
Timor-Leste	2002	0.010	0.302
Tonga	1972	0.004	0.297
Turkmenistan	2000	0.253	0.496
Tuvalu	1993	0.001	0.295
Uzbekistan	1995	0.672	0.832
Vanuatu	1981	0.007	0.299
Viet Nam	1966	0.341	0.567
Subtotal		63.390	65.124

	Year of Membership	Subscribed Capital ^a (% of total)	Voting Power ^b (% of total)
NONREGIONAL			
Austria	1966	0.340	0.566
Belgium	1966	0.340	0.566
Canada	1966	5.219	4.469
Denmark	1966	0.340	0.566
Finland	1966	0.340	0.566
France	1970	2.322	2.152
Germany	1966	4.316	3.747
Ireland	2006	0.340	0.566
Italy	1966	1.803	1.737
Luxembourg	2003	0.340	0.566
The Netherlands	1966	1.023	1.113
Norway	1966	0.340	0.566
Portugal	2002	0.340	0.566
Spain	1986	0.340	0.566
Sweden	1966	0.340	0.566
Switzerland	1967	0.582	0.760
Turkey	1991	0.340	0.566
United Kingdom	1966	2.038	1.924
United States	1966	15.571	12.751
Subtotal		36.610	34.876
TOTAL		100.000	100.000

Notes: Numbers may not sum precisely because of rounding. For other details, see table on Statement of Subscriptions to Capital Stock and Voting Power (OCR-8) in the *Financial Statements of Annual Report 2020*.

^a Subscribed capital refers to a member's subscription to shares of the capital stock of ADB.

^b The total voting power of each member consists of the sum of its basic votes and proportional votes. The basic votes of each member consist of such number of votes as results from the equal distribution among all members of 20% of the aggregate sum of the basic votes and proportional votes of all members. The number of proportional votes of each member is equal to the number of shares of the capital stock of ADB held by that member.

Appendix 6: Contributions to Asian Development Fund (\$ million)

Contributor	Cumulative Effective Amounts Committed^a	of which, ADF XI (2013–2016)	of which, ADF 12 (2017–2020)^b
Australia	2,668	589	276
Austria	294	40	19
Belgium	244	32	–
Brunei Darussalam	21	6	0
Canada	2,035	179	84
China, People's Republic of	183	41	82
Denmark	265	23	11
Finland	201	27	11
France	1,410	119	47
Germany	1,933	179	71
Hong Kong, China	123	31	14
India	64	30	34
Indonesia	26	–	12
Ireland	107	25	12
Italy	1,193	85	40
Japan	12,888	1,875	929
Kazakhstan	8	5	3
Korea, Republic of	643	155	73
Luxembourg	60	10	7
Malaysia	33	9	4
Nauru	0	–	–
The Netherlands	774	75	13
New Zealand	187	30	13
Norway	310	47	22
Portugal	92	0	0
Singapore	25	8	4
Spain	482	62	6
Sweden	490	73	20
Switzerland	405	49	23
Taipei, China	115	21	10
Thailand	19	4	2
Turkey	124	5	2
United Kingdom	1,692	290	136
United States	4,677	331	155
TOTAL	33,793	4,455	2,133

0 = less than \$0.5 million, ADF = Asian Development Fund.

Note: Numbers may not sum precisely because of rounding.

^a Valued at Board of Governors' Resolutions exchange rates. Based on submitted and acknowledged instruments of contribution of ADF I to ADF 12 as of 31 December 2020. Includes the proportionate share of ADF donors in the transferred assets as of 1 January 2017 of \$29,309 million and excludes cumulative contributions allocated to the Technical Assistance Special Fund of \$1,612 million.

^b Following the combination of certain ADF assets with the ordinary capital resources and retaining the ADF as a grant-only operation beginning 1 January 2017, there is a reduction of 52% in donor contributions for ADF 12 as compared with ADF XI.

Appendix 7A: 2020 Project-Specific Sovereign Cofinancing Commitments (\$ million)

Financing Partner	Loan	Grant	TA
Bilateral			
Australia	1,092	10	15
Austria	-	-	2
China, People's Republic of	207	-	-
France	382	-	-
Germany	919	25	-
Japan	1,805	-	-
Korea, Republic of	-	-	2
New Zealand	-	18	7
Norway	-	40	5
Sweden	-	-	1
Switzerland	-	-	1
Thailand	23	-	-
United States	-	-	2
Subtotal - Bilaterals	4,428	93	34
Multilateral			
ASEAN Infrastructure Fund	20	-	-
Asian Infrastructure Investment Bank	4,132	-	-
Climate Investment Fund	35	8	3
European Bank for Reconstruction and Development	25	-	-
European Investment Bank	19	-	-
European Union	-	1	26
Global Environment Facility	-	-	0
Global Partnership for Education Fund	-	-	0
Global Road Safety Partnership	-	-	1
Green Climate Fund	37	40	-
International Fund for Agricultural Development	-	40	-
New Development Bank	500	-	-
OPEC Fund for International Development	120	-	-
Women Entrepreneurs Finance Initiative	-	5	-
World Bank	1,020	248	-
Subtotal - Multilaterals	5,908	343	30
Private Partners			
ADB Staff Community Fund	-	-	0
Subtotal - Private Partners	-	-	0
TOTAL	10,336	436	64

0 = less than \$1 million, ASEAN = Association of Southeast Asian Nations, OPEC = Organization of the Petroleum Exporting Countries, TA = technical assistance.
 Note: Numbers may not sum precisely because of rounding.

Appendix 7B: Active Trust Funds and Special Funds (\$ million)

Fund Name	Partner(s)	Established	Contributions for 2020^b	Cumulative Contribution as of 31 December 2020^c	Uncommitted Balance as of 31 December 2020^d	Committed (Signed Agreements) for 2020
Single Partner Trust Funds^h						
Japan Scholarship Program ^g	Japan	1988	5.0	191.6	4.8	NA
Australian Technical Assistance Grant ^k	Australia	1993	-	61.7	4.0	-
Japan Fund for Poverty Reduction ^g	Japan	2000	98.6	930.6	139.6	71.0
Spanish Cooperation Fund for Technical Assistance ^g	Spain	2000	-	14.4	3.9	-
Cooperation Fund for Project Preparation in the Greater Mekong Subregion and in Other Specific Asian Countries ^g	France	2004	1.1	8.5	2.1	0.8
Japan Fund for Public Policy Training ^l	Japan	2004	-	22.0	7.5	-
People's Republic of China Poverty Reduction and Regional Cooperation Fund ^g	People's Republic of China	2005	-	90.0	26.3	10.0
Republic of Korea e-Asia and Knowledge Partnership Fund ^g	Republic of Korea	2006	8.4	122.2	39.2	15.0
Netherlands Trust Fund under Water Financing Partnership Facility ^g	Netherlands	2006	-	44.2	2.3	3.5
Asian Clean Energy Fund under Clean Energy Financing Partnership Facility ^g	Japan	2008	-	55.7	2.7	6.3
Investment Climate Facilitation Fund under Regional Cooperation and Integration Financing Partnership Facility ^g	Japan	2008	-	31.5	3.2	4.7
Canadian Climate Fund for the Private Sector in Asia under Clean Energy Financing Partnership Facility ^g	Canada	2013	-	80.1	28.8	0.2
Sanitation Financing Partnership Trust Fund under Water Financing Partnership Facility ^g	Bill and Melinda Gates Foundation	2013	-	19.0	1.0	0.7
Japan Fund for the Joint Crediting Mechanism ^g	Japan	2014	9.3	80.4	38.6	10.0
Leading Asia's Private Infrastructure Fund	Japan	2016	100.3	520.0 ^e	499.0	241.8
Canadian Climate Fund for the Private Sector in Asia II ^g	Canada	2017	22.6 ^f	149.5 ^f	73.6	12.4
United Kingdom Fund for Asia Regional Trade and Connectivity ^g	United Kingdom	2018	-	28.9	6.3	8.7
ASEAN Australia Smart Cities Trust Fund ^g	Australia	2019	-	14.6	3.9	-
Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing State ^g	Ireland	2019	-	14.4	11.8	2.3
Australian Climate Finance Partnership ^g	Australia	2020	106.0	106.0	106.7	-
Multi-Partner Trust Funds^h						
Clean Energy Fund under Clean Energy Financing Partnership Facility ^g	Australia, Norway, Spain, Sweden, United Kingdom	2007	0.8	131.8	35.2	8.1
Future Carbon Fund ^g	Belgium, ENECO Energy Trade, Finland, Republic of Korea, POSCO, Sweden	2008	-	80.4	70.7	-
Carbon Capture and Storage Fund under Clean Energy Financing Partnership Facility ^g	Australia, United Kingdom	2009	-	58.8	40.1	-
Afghanistan Infrastructure Trust Fund	ANA Trust Fund, Canada, Germany, Japan, United Kingdom, United States	2010	1.6	748.2	192.8	119.6
Credit Guarantee Investment Facility	ADB, Brunei Darussalam, Cambodia, Indonesia, Japan, Republic of Korea, Lao People's Democratic Republic, Malaysia, Myanmar, People's Republic of China, Philippines, Singapore, Thailand, Viet Nam	2010	-	1,149.0	NA	-

continued on next page

Fund Name	Partner(s)	Established	Contributions for 2020 ^b	Cumulative Contribution as of 31 December 2020 ^c	Uncommitted Balance as of 31 December 2020 ^d	Committed (Signed Agreements) for 2020
Urban Climate Change Resilience Trust Fund under Urban Financing Partnership Facility ^e	Rockefeller Foundation, Switzerland, United Kingdom	2013	-	144.5	20.8	4.1
Regional Malaria and other Communicable Disease Threats Trust Fund under Health Financing Partnership Facility ^e	Australia, Canada, United Kingdom	2013	6.5	36.0	7.2	-
Domestic Resource Mobilization Trust Fund ^e	Japan	2017	1.4	7.2	3.2	-
High Level Technology Fund ^e	Japan	2017	15.8	70.3	30.0	14.3
Asia Pacific Climate Finance Fund ^e	Germany	2017	-	33.8	28.2	3.9
Cities Development Initiative for Asia Trust Fund ^e	Austria, Germany, Switzerland	2017	-	9.2	1.4	4.5
ADB Ventures Investment Fund 1 ^g	Climate Investment Fund, Finland, Korea Venture Investment Corporation, Nordic Development Fund, Republic of Korea	2020	59.7	59.7	58.3	-
ADB Ventures Investment Fund 2 ^{g,i}	Climate Investment Fund	2020	4.0	4.0	4.0	-
Special Funds^a						
Japan Special Fund	Japan	1988	-	1,124.7	112.2	
ADB Institute	ADB, Australia, Indonesia, Japan, Republic of Korea, People's Republic of China	1996	15.0	312.5	23.8	
Regional Cooperation and Infrastructure Fund	ADB, Japan	2007	30.0	99.6	25.2	
Asia Pacific Disaster Response Fund	ADB, Japan	2009	85.0 ⁱ	165.0 ^j	46.6	
Financial Sector Development Partnership Special Fund	ADB, Luxembourg	2013	2.0	23.0	3.2	

- = nil, NA = not applicable.

Note:

^a Special funds (except the Japan Special Fund) get contributions from ADB through transfers from ordinary capital resources. The list of special funds excludes Asian Development Fund (ADF), Technical Assistance Special Fund (TASF) and Climate Change Fund. Contributions to the ADF are presented in Appendix 6. Contributions to the TASF are made through direct and voluntary contributions from members and through allocations from the ADF replenishments. Finally, no external partners contribute to the Climate Change Fund.

^b Contributions for 2020 include only additional and new commitments made during the year revalued at reporting date, as applicable.

^c Cumulative Contribution as of 31 December 2020 is net of cancellation of the commitments, if any, and revalued at reporting date, as applicable.

^d Represents balances available for new projects; excludes funding request allocations by fund managers not yet approved by ADB. Amount is inclusive of contribution receivable, if any, and revalued at reporting date, as applicable.

^e Represents actual amount remitted from partner.

^f Represents Can\$200 million actual amount remitted from partner.

^g Trust funds with balances for new project/initiatives.

^h Excludes the following active trust funds with no contribution for 2020 and less than \$1 million uncommitted balance as of 31 December 2020: Canadian Cooperation Fund on Climate Change, Denmark Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas, Japan Fund for Information and Communication Technology, Integrated Disaster Risk Management Fund, Asia Pacific Project Preparation Facility, Cooperation Fund for Regional Trade and Financial Security Initiative, Financial Sector Development Partnership Fund, Gender and Development Cooperation Fund, Governance Cooperation Fund, Multi-Donor Trust Fund under Water Financing Partnership Facility, Project Readiness Improvement Trust Fund, and Urban Environmental Infrastructure Fund under Urban Financing Partnership Facility.

ⁱ Includes \$75 million contribution for APDRF - Government of Japan for COVID-19.

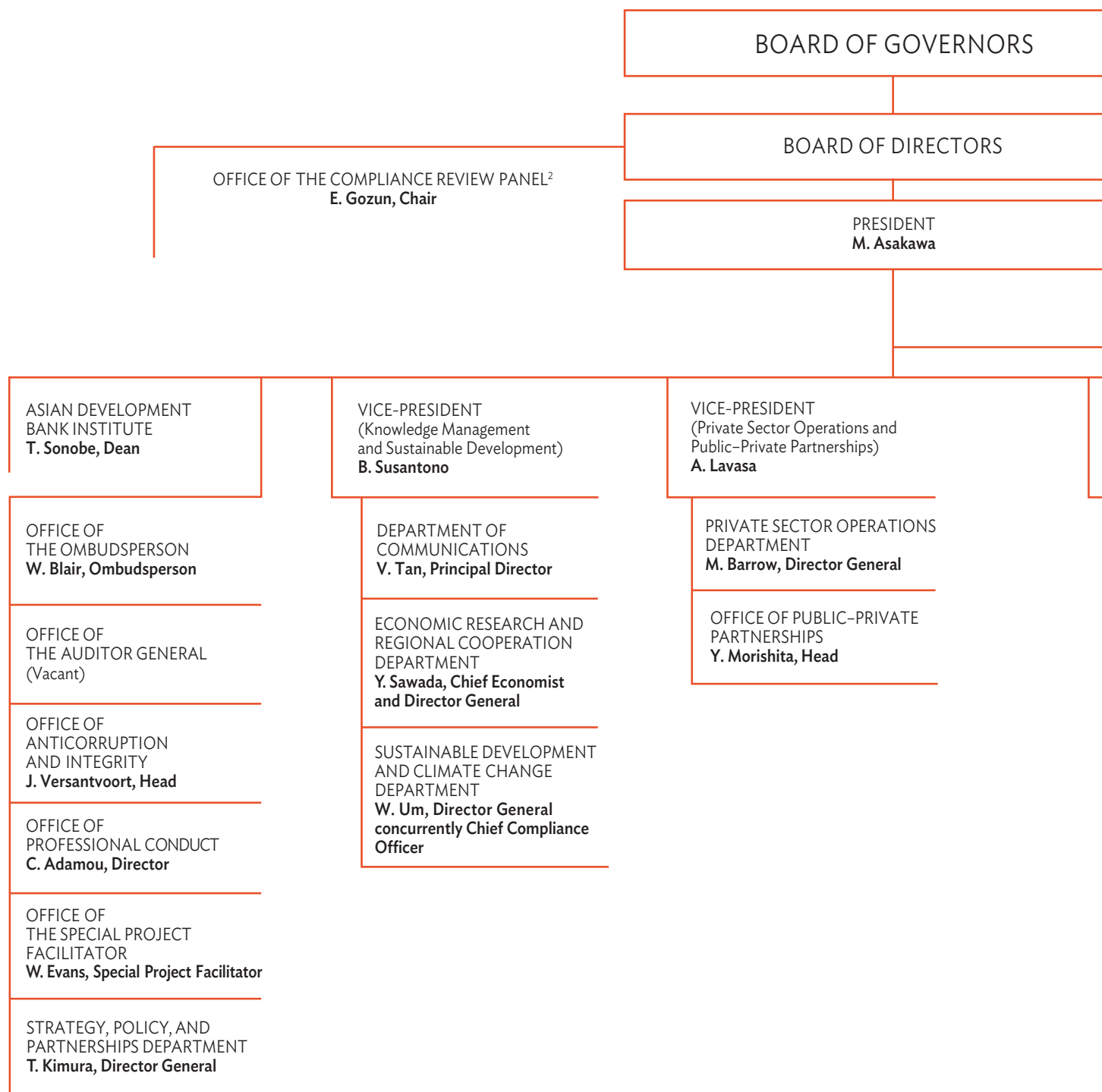
^j Trust fund is still not operational; the uncommitted balance does not represent amount for new projects.

^k Trust fund will not support new projects and expects the financial completion of existing active projects.

^l Trust fund awaits instruction from partner on the disposition of unutilized balance.

Appendix 8A: Organizational Structure¹

(as of 31 December 2020)

¹ To contact management and senior staff, go to <http://www.adb.org/contacts/management-senior-staff>.² The Compliance Review Panel reports to the Board of Directors.³ The Independent Evaluation Department reports to the Board of Directors through the Development Effectiveness Committee.

INDEPENDENT EVALUATION DEPARTMENT³
M. Taylor-Dormond, Director General

SPECIAL SENIOR ADVISOR TO THE PRESIDENT
M. Carmela Locsin

VICE-PRESIDENT (Administration and Corporate Management) D. Stokes	VICE-PRESIDENT (Finance and Risk Management) I. van Wees	VICE-PRESIDENT (Operations 1) S. Chen	VICE-PRESIDENT (Operations 2) A. Saeed
OFFICE OF THE SECRETARY E. Zhukov, The Secretary	OFFICE OF RISK MANAGEMENT (Vacant)	SOUTH ASIA DEPARTMENT K. Yokoyama, Director General	EAST ASIA DEPARTMENT J. Lynch, Director General
OFFICE OF ADMINISTRATIVE SERVICES C. L. Menon, Principal Director	CONTROLLER'S DEPARTMENT C. Kim, Controller	CENTRAL AND WEST ASIA DEPARTMENT (Vacant)	SOUTHEAST ASIA DEPARTMENT R. Subramaniam, Director General
OFFICE OF THE GENERAL COUNSEL T. Clark, General Counsel	TREASURY DEPARTMENT P. Van Peteghem, Treasurer		PACIFIC DEPARTMENT L. Gutierrez, Director General
BUDGET, PEOPLE, AND MANAGEMENT SYSTEMS DEPARTMENT Y. Takamura, Director General			
PROCUREMENT, PORTFOLIO AND FINANCIAL MANAGEMENT DEPARTMENT R. Z. Teng, Director General			
INFORMATION TECHNOLOGY DEPARTMENT S. Hamid, Director General			

Appendix 8B: ADB Sector and Thematic Groups

(as of 31 December 2020)

SECTOR



THEMATIC



Appendix 9: ADB Corporate Reports

A. Key Corporate Overview Reports

- Development Effectiveness Review
- Development Effectiveness Report: Private Sector Operations
- ADB Sustainability Report
- Annual Evaluation Review

B. Treasury, Finance, and Risk Management

- ADB Information Statement

C. Operations

1. Overview of ADB Operations

- Statement of the Asian Development Bank's Operations
- ADB Projects and Tenders: Project Data Sheets for Loans, Grants, Technical Assistance

2. Portfolio Reports

- Annual Portfolio Performance Report
- Quarterly Portfolio Updates

3. Country Operations

- ADB Member Fact Sheets
- Annual Report on the Country Performance Assessment Exercise

4. Partnership Reports

- ADB–Japan Scholarship Program Annual Report
- Annual Partnership Report
- Clean Energy Financing Partnership Facility Annual Report
- Financial Sector Development Partnership Special Fund Annual Report
- Future Carbon Fund (print only)
- Gender and Development Cooperation Fund Progress Report
- High-Level Technology Fund Annual Progress Report (print only)
- Japan Fund for Joint Crediting Mechanism (print only)
- Japan Fund for Poverty Reduction Annual Report
- People's Republic of China Regional Cooperation and Poverty Reduction Fund Annual Report
- Republic of Korea e-Asia and Knowledge Partnership Fund Annual Report
- Urban Financing Partnership Facility Annual Report
- Water Financing Partnership Facility Annual Report and Semiannual Progress Report

D. Planning and Budget

- Work Program and Budget Framework
- Budget of the Asian Development Bank

E. Accountability

- ADB Accountability Mechanism Annual Report

F. Audit

- Annual Report of the Audit Committee of the Board

G. Independent Evaluation

- ADB Support for Transport, 2010–2018
- Effectiveness of the 2009 Safeguard Policy Statement
- Knowledge Solutions for Development: An Evaluation of ADB's Readiness for Strategy 2030
- ADB Energy Policy and Program, 2009–2019
- ADB Support for Public–Private Partnerships, 2009–2019
- Independent Evaluation Department Work Program, 2021–2023

H. Key Economic and Financial Research

- Asian Development Outlook
- Asia Bond Monitor
- Key Indicators for Asia and the Pacific
- Basic Statistics
- Asian Economic Integration Report
- Asian Development Review
- ADB Economics Working Papers
- Aid for Trade in Asia and the Pacific: Promoting Economic Diversification and Empowerment
- Asia's Journey to Prosperity: Policy, Market, and Technology Over 50 Years

I. ADB Institute

- ADBI Three-Year Rolling Work Program and Budget
- ADBI Working Papers
- ADBI Policy Briefs

J. Other Reports

- Office of Anticorruption and Integrity (OAI): Annual Report
- Highlights of the ADB Annual Meeting
- Highlights of ADB's Cooperation with Civil Society Organizations

Appendix 10: Operational Data and Organizational Information as of 31 December 2020

The tables and other information listed below are available for download in PDF and XLS format from <https://www.adb.org/documents/adb-annual-report-2020>

Operational Data

Net Transfer of Resources (Ordinary Capital Resources, Asian Development Fund, and Other Special Funds Grants), 2019–2020

Japan Special Fund—Regular and Supplementary Contributions

Japan Special Fund—Asian Currency Crisis Support Facility

Evaluation Results for Sovereign Operations by Developing Member Country by PCR Year, 2010–2020

Evaluation Results for Sovereign Operations by Sector by PCR Year, 2010–2020

Evaluation Results for Nonsovereign Operations by Developing Member Country by Evaluation Year, 2010–2020

Evaluation Results for Nonsovereign Operations by Sector by Evaluation Year, 2010–2020

Total ADB Operations by Sector and by Region, 2020

Sovereign Commitments, 2020

Commitments by Modality, 2019–2020

Sovereign and Nonsovereign Commitments, 2019–2020

Sectoral Distribution (Sovereign and Nonsovereign Commitments Including Cofinancing), 2019–2020

Top Recipients by Commitments Including Cofinancing, 2020

Top Recipients by Commitments Excluding Cofinancing, 2020

Technical Assistance Commitments, 2020

Technical Assistance Grant Commitments, 2020

Number of Projects Under Administration, Actual Problem, Completed, and PCRs/XARRs/PPERs Circulated

Overall Procurement of Goods, Works, and Consulting Services, 2020 Project/Program Loans, Grants, and Technical Assistance Operations Combined, By Origin of Goods and Services

Overall Procurement of Goods, Works, and Consulting Services, 2020 Project/Program Loans, Grants, and Technical Assistance Operations Combined, By ADB Member

Cumulative Contracts Awarded by Origin of Goods and Services as of 31 December 2020, Loans, Grants, and Technical Assistance Operations

Cumulative Contracts Awarded by ADB Members as of 31 December 2020, Loans, Grants, and Technical Assistance Operations

Amount of Loans and Grants Made Effective, Contracts Awarded, and Disbursements

Nonsovereign Commitments, 2020

Nonsovereign Commitments by Year, 2008–2020

Nonsovereign Commitments by Developing Member Country, 2008–2020

Nonsovereign Commitments by Top Countries, Ordinary Capital Resources, 2019–2020

Projects Involving Commercial Cofinancing

Cofinancing Arrangements, 2019–2020 (Volume)

Cofinancing Arrangements, 2019–2020 (Number of Projects)

Projects Involving Sovereign Cofinancing, 2020

Projects Involving Sovereign Grant Cofinancing, 2020

ADF-Contributed Resources

Organizational Information

ADB Institute Advisory Council

Organizational Structure

Summary of Internal Administrative Expenses—2019 and Budget for 2020

Staff Representation of ADB Members

Number of Authorized Positions in Resident Missions

Growth in Resident Missions and Assigned Staff Positions at Resident Missions

Members, Capital Stock, and Voting Power

Resolutions of the Board of Governors Adopted in 2020

Selected Policy, Strategy, and Financial Papers Discussed by the Board in 2020

Board of Governors

Board of Directors and Voting Groups

Committees of the Board of Directors

2020 Annual Base Salary of the Board of Directors and Management

Financial statements incorporated by reference. Management's Discussion and Analysis and the Annual Financial Statements of the Asian Development Bank shall be deemed to be incorporated in and to form part of this Annual Report. The Financial Report, organizational information, and operational data are available at <https://www.adb.org/documents/adb-annual-report-2020> and via the QR code on this page.



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COVER (clockwise from top left): A mother in Pakistan helps her daughter sanitize her hands against COVID-19; A doctor in the Philippines prepares to give a vaccination; Dancers take part in a cultural presentation in the Cook Islands; A forklift driver moves shipping containers at a port in the Pacific; A worker checks equipment at a waste-to-energy plant in the People's Republic of China; A lab technician evaluates blood samples at a hospital in India.



Together with
our members and
development partners,
we will achieve
a strong recovery
from COVID-19
and continue our
journey toward
a more prosperous,
inclusive, resilient,
and sustainable
Asia and the Pacific.

Masatsugu Asakawa
ADB President