

ADB Lends \$6.1 Billion in 2003: Highest in 5 Years

Operations of the Asian Development Bank (ADB) totaled \$6.3 billion in 2003, a 7.6% increase from 2002. Lending made up 97% of total operations, the highest lending level since 1997. ADB's private sector operations also increased in 2003 by as much as 174% over the 2002 level.

Loans

Lending for both public and private sector operations in 2003 amounted to \$6.1 billion for 85 loans to 66 projects. This was ADB's highest lending since 1997. The average loan size in 2003 was \$72 million, compared with \$64 million in 2002. Twenty-three developing member countries (DMCs) and one regional project received loans. A total of \$3.8 billion was disbursed. Of this, \$2.1 billion (55%) was for project loans. The rest was for program, sector, and private sector loans.

Of the total lending, loans with government guarantees were over \$5.9 billion for 62 projects comprising \$4.5 billion for 33 loans from ordinary

capital resources (OCR) and \$1.4 billion for 47 loans from the concessional Asian Development Fund (ADF). Thirteen were policy-based programs amounting to \$1.1 billion representing 19% of total public sector lending. Of program lending, \$912 million or 80% of the total came from OCR and \$228 million or 20% from the ADF. Policy-based programs support DMC efforts to improve policy, institutional, and investment environments and to help meet short-term adjustment costs. Lending to the private sector without government guarantees amounted to \$187 million for five loans in four projects.

Of the 62 public sector loans, 10 were for core poverty intervention projects and 29 were for poverty intervention projects. These 39 projects amounted to about \$3 billion or 51% of total public sector lending. Grants from the Japan Fund for Poverty Reduction totaling \$35.3 million were approved for nine projects. Poverty partnership agreements were signed between ADB and PRC, Kazakhstan, Kiribati, Samoa, Solomon Islands, Timor-Leste, Tuvalu, and Vanuatu.

As in 2002, the largest DMC borrower in 2003 was India at \$1,532 million (25% of the total). Other top borrowers included PRC \$1,488 million (24%), Pakistan \$871 million (14%), Bangladesh \$532 million (9%), and Sri Lanka \$275 million (5%). The transport and communications sector received the largest share of loans at \$2,578 million (42%) followed by social infrastructure \$1,131 million (19%), energy \$757 million (12%), and finance \$483 million (8%).

The "others" sector received 5% of total lending. This included projects not falling under the economic sector classification that ADB uses, such as central government administration, operation and regulation, customs operations, public sector reform programs, judicial and legislative operations, public finance management, fiscal reforms, environment projects, gender and governance, and tourism.

operational purposes; and 76 were for regional activities such as conferences, research, studies, and training. Of the total amount for technical assistance, \$87 million were from the Technical Assistance Special Fund using current income from OCR; \$37 million were from the Japan Special Fund; and the remaining \$53 million came from other multilateral and bilateral sources. The largest recipient of country-specific technical assistance (excluding regional technical assistance) was India at \$14.7 million (12%), followed by the PRC \$14.3 million (11%), Indonesia \$12.5 million (10%), Afghanistan \$10.5 million (8%), and Pakistan \$10.0 million (8%).

Excluding regional technical assistance, the sector distribution was as follows: social infrastructure \$24.5 million (20%), agriculture and natural resources \$15.3 million (12%), energy \$15.1 million (12%), transport and communications \$11.4 million (9%), finance \$10.7 million (9%), multisector \$5.2 million (4%), and industry and nonfuel minerals about \$3 million (2%).

Other technical assistance received \$41 million or 32% of the total.

Grants

Total grants amounting to \$454.3 million were approved in 2003, consisting of \$404.0 million in ADB-administered loan components, \$35.3 million in projects financed by the Japan Fund for Poverty Reduction, and \$15 million from the Kuwait Fund for Arab Economic Development.

Nine ADB loan projects received grant cofinancing amounting to \$433.2 million from bilateral and multilateral sources of which \$404.0 million were administered by ADB and \$29.2 million were parallel.

Equity Investments

ADB approved a total of \$35.7 million in equity investments for regional investment funds and financial institutions.

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ADB Operations 2003

	\$ Million	% change from 2002
Lending	6,104.8	7.9
Public	5,917.8	6.7
OCR	4,538.7	16.4
ADF	1,379.2	(16.4)
Private		
OCR	187.0	70.0
Equity Investments	35.7	0.3
Technical Assistance^a	176.5	(1.4)
TOTAL	6,317.0	7.6

() Negative

a Includes regional activities.

Technical Assistance

A total of 315 technical assistance grants amounting to \$176.5 million were approved in 2003. Of those, 74 were for project preparation; 165 were for advisory and

Top Borrowers, 2003

(\$ million)

Loan Approvals and Disbursements, 1999-2003

(\$ million)

Loans by Sector 2003

	\$ Million	%
Transport and Communications	250.00	46.0
Finance	150.00	27.6
Social Infrastructure	58.60	10.8
Energy	39.40	7.2
Others	35.00	6.4
Multisector	10.50	1.9
TOTAL	543.50	100.0^a

^a Total may not add due to rounding.

In this publication, \$ refers to US dollars.